

Summary - Volume 4

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General

2007 Budget Highlights

Summary

- The 2007 President's budget for the Department of Veterans Affairs (VA) provides approximately \$80.6 billion for veterans' benefits and services: \$38.5 billion in discretionary funding and \$42.1 billion for entitlements. This budget supports a continued focus on health care needs of VA's core group of veterans – those with service-connected disabilities, veterans with lower incomes, and those with special health care needs. With the budget increase in medical care, access to medical facilities for our highest priority veterans is expected to improve. The 2007 submission for medical care programs includes policy changes to assure sufficient resources are available to continue timely, high quality health care to all enrolled veterans and to support the focus on core mission veterans. These initiatives include: 1) assess an annual enrollment fee of \$250 for all Priority 7 and 8 veterans; 2) increase pharmacy co-payments from \$8 to \$15 for veterans who have a greater ability to absorb these co-payments – Priority 7 and 8 veterans; and 3) eliminate the practice of reducing the VA first-party co-payment debts with collection recoveries from third-party health plans. The total VA request for discretionary programs (with collections) provides for an increase of \$3.4 billion, or 9.8 percent, over last year's funding level.
- The resources requested in the 2007 budget will enable VA to successfully address the three highest priorities of this Department:
 - Provide timely, high-quality health care to our core constituency – veterans with service-connected disabilities, those with lower incomes, and veterans with special health care needs;
 - Address the large increase in claims for compensation and pension benefits while improving processing accuracy for our most challenging compensation claims;
 - Ensure the burial needs of veterans and their eligible family members are met, and maintain veterans' cemeteries as national shrines.

Highlights by Major Component

- **Medical Care Programs.** The 2007 President's budget includes total budgetary resources of \$34.3 billion (including \$2.8 billion in collections) for the three medical care appropriations, an increase of \$3.5 billion or 11.3 percent over the 2006 estimate. VA is requesting \$24.7 billion for the Medical Services appropriation, an increase of 9.6 percent; \$3.2 billion for the Medical Administration appropriation, an increase of 8.5 percent; and \$3.6 billion for the Medical Facilities appropriation, an 8.2 percent increase. With these resources, VA will be able to provide timely, high-quality health care to 5.3 million unique patients. The request reflects legislative policy proposals that will continue to concentrate VA's health care resources to meet the needs of our highest priority veterans—those with service-connected conditions, those with lower incomes, and veterans with special health care needs. This set of proposals includes a savings of \$795 million in appropriation.
- VA continues to focus its health care priorities on meeting the needs of our highest priority veterans. The number of patients within this core service population, Priority 1 through 6 veterans, that we project will come to VA for health care in 2007 will grow by 80,000, or 2.1 percent higher than in 2006. During 2007, 72 percent of those using VA's health care system will be veterans with service-connected conditions, those with lower incomes, and veterans with special health care needs. The comparable share in 2006 was 69 percent. In addition, we devote 86 percent of our health care resources to meet the needs of these veterans. Due to their advancing age and multiple medical problems, our highest priority veterans require much more extensive care requiring significantly more resources, on average, than lower priority veterans. While the highest priority veteran population grows over this time period, Priorities 7-8 veterans will decline by 235,000 or 19 percent.
- The 2007 budget request assumes that enrollment of new Priority 8 veterans will remain suspended. To further address the increasing health care demand and to ensure that VA continues to provide timely, high-quality health care to our core population, the budget request includes policy proposals focused primarily on veterans who have no compensable service-connected disabilities and comparatively higher incomes. These proposals would require lower priority veterans to assume a greater share of the cost of their health care and include the following: assessing an annual enrollment fee of \$250 and changing the veteran's share of the pharmacy co-payments from \$8 to \$15.
- VA's 2007 budget request will support the Secretary's priority of providing timely and accessible health care that sets a national standard of excellence for the health care industry. To address this priority, VA has set a goal for providing timely access to scheduled appointments for veterans. VA raised the percent

of appointments scheduled within 30 days of the desired date in 2005 to 93.7 percent and will maintain this level in 2006 and 2007.

- VA's request for additional funding is required to meet the growing demand for VA health care services due to three major cost drivers. These cost drivers are inflation, increased utilization of health care services, and greater intensity of health care services provided. Overall utilization trends in the U.S. health care industry continue to increase. These trends increase the VA's cost of doing business regardless of any changes in enrollment, patients, or initiatives. VA is also experiencing increased utilization of its medical services because of the demographics of its patient population and the reliance on VA's health care system which increases VA's cost of care. The patients who seek our care are aging, have lower incomes, and require more complex medical care. The trend in U.S. health care, as well as in VA, is to provide a greater intensity of medical services for the same type of patient and medical condition. Patients in the U.S. are provided more diagnostic tests, prescriptions, and medical services per patient each year. This trend increases VA's cost for some medical treatments such as the cost of pharmaceuticals and outpatient visits for each patient.
- The additional \$3.5 billion funding requested in 2007 will deliver community-based health care to our eligible veterans. Of the \$3.5 billion increase, \$1.2 billion is required for payroll and inflation changes over the 2006 estimate. VA will provide a greater level of outpatient care to veterans who are scheduling appointments for more outpatient visits in the VA health care system. This outpatient care includes outpatient mental health programs to ensure that the veterans' mental health needs are adequately addressed. VA will treat a greater number of inpatients requiring acute care for general medical ailments and surgery than provided in 2006. Our veterans are also using an increasing number of prescription drugs; this coupled with increasing costs and more expensive medicines is driving up the cost of VA's pharmacy services by 10.5 percent over 2006. VA's goal is to restore the capability of veterans with disabilities to the greatest extent possible and improve the quality of life and that of their families. To achieve this goal additional resources are needed to buy prosthetics for our veterans of all combat eras; support our Regional Spinal Cord Injury Centers; provide inpatient rehabilitation programs at the Blind Rehabilitation Centers; and care for those who need psychiatric care, who suffer from post-traumatic stress disorder, who require substance abuse treatment, and who experience chronic mental illness and homelessness. This request also ensures that veterans or servicemembers returning with an injury from Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) have timely access to the Department's special health care services. VA estimates that over 109,000 OEF/OIF veterans will be treated by VA in 2007.

- VA's enhanced cooperative efforts with DoD continue to underscore the health care delivery services that support the President's Management Agenda and congressional mandates. The Departments have expanded their level of cooperation in many critical areas identified in a Joint Strategic Plan (JSP) by the VA/DoD Joint Executive Council (JEC). This council is committed to accomplishing a variety of initiatives. They will ensure that separating service members receive a separation examination that meets both service separation requirements and VA disability compensation requirements. The JEC will perform activities designed to support the sharing of health care data. They will identify three locations/sites from the Base Realignment and Closure list that coincides with VA capital requirements as identified in the VA 5-Year Capital Plan and Capital Asset Realignment for Enhanced Services. The Departments will develop and implement a shared training plan designed to increase coordination of education and training resources between these agencies. They will also assess VA/DoD processes related to the acquisition of goods and services and make recommendations designed to achieve joint operational and business efficiencies.
- **Medical and Prosthetic Research.** Overall, 2007 resources are estimated to be \$1.6 billion for VA research which is a \$17 million increase from the 2006 level. This funding level is comprised of \$399 million in direct research appropriation request, \$366 million in medical care research support, a \$676 million estimate of non-VA federal grant resource support, and \$208 million in other non-federal grant funding support. VA R&D's primary focus is to more appropriately target research projects that address the special health care needs that are prevalent in the veteran patient population. This includes research on military occupational and environmental exposures, military service-related limb loss, acute and traumatic injury, aging, mental illness, diabetes, cancer, and other diseases. Also included is research on special populations of veterans such as those with spinal cord injury and those that are blind or visually impaired.
- **Veterans Benefits Administration.** The Department's 2007 budget request includes \$42.1 billion for the entitlement costs associated with all benefits administered by the Veterans Benefits Administration (VBA). This total includes an additional \$4.0 billion for disability compensation payments to veterans and their survivors for disabilities or diseases incurred or aggravated while on active duty. Recipients of these compensation benefits will have increased from 2.62 million in 2001 to 3.22 million in 2007.
- The President's budget request includes another \$1.17 billion for the management of the following benefits programs-disability compensation; pensions; education; vocational rehabilitation and employment; housing; and life insurance. This total is \$114 million, or 10.8 percent, over the 2006 level.

- As a Presidential initiative, improving the timeliness and accuracy of claims processing remains the Department's top priority associated with our benefits programs. In 2005, the timeliness of our disability compensation and pensions claims processing increased slightly (from 166 days in 2004 to 167 days in 2005). This was preceded by a more than two percent increase in disability claims receipts, from 771,115 to 788,298. In 2006, we anticipate a three percent increase to 811,947 disability claims plus an additional 98,179 cases resulting from special outreach required by the 2006 Appropriations Act. In 2007, claims receipts are expected to increase two percent over the 2006 levels (the special outreach cases are excluded), to 828,186. The number of veterans filing initial disability compensation claims and claims for increased benefits has increased every year since 2000. The number of conditions claimed, the nature of severe traumatic multiple body system combat injuries, highly complex medical conditions, and enhanced legal requirements substantially increase the complexity of the claims process and claims decisions.
- **National Cemetery Administration.** The President's 2007 budget request for VA includes \$160.7 million in operations and maintenance funding for the National Cemetery Administration (NCA). This represents an increase of \$11.1 million (or 7.4 percent) over the 2006 current estimate. The additional funding will be used to meet the growing workload at existing cemeteries by increasing staffing and augmenting funding for contract maintenance, supplies, and equipment. We expect to perform over 107,000 interments in 2007, a total 5.4 percent higher than the 2006 estimate and 15.1 percent more than the number of interments in 2005.
- Our total resource request also has \$9.1 million to address gravesite renovations as well as headstone and marker realignment, an increase of \$3.6 million from the 2006 resource level.
- In return for the resources requested to support operations and maintenance activities within NCA, we will expand access by increasing the percent of veterans served by a burial option within 75 miles of their residence to 83.8 percent in 2007, which is 6.7 percentage points above the 2005 level. In addition, we will continue to increase the percent of respondents who rate the quality of service provided by national cemeteries as excellent to 97 percent in 2007, or 3 percentage points higher than the 2005 performance level.
- **General Administration.** Budget Authority of \$312.9 million and 2,781 FTE are requested to support the General Administration program in 2007. The budget request is \$16.9 million above the 2006 enacted level. This level provides funding for the projected 2.2% payraise, regular benefits increases, and inflation for all staff offices. The 2007 level includes funding for an additional 6 FTE in General Counsel to address the increasing legal and casework at VHA and VBA

field stations. In addition, funding is included for the Board of Veterans Appeals (BVA) to sustain a 10 FTE increase planned for in 2006. This budget request, along with the management improvements BVA is currently undertaking, will allow the Board to improve both the 2007 accuracy and number of appeals decided from the 2005 actual levels.

- **Capital (Construction and Grants to States).** The President's 2007 budget request includes \$714 million in capital funding for VA. Within our total request, \$399 million will be devoted to major construction projects, \$198 million for minor construction, \$85 million in grants for the construction of state extended care facilities, and \$32 million in grants for the construction of state veterans cemeteries.
- Construction funding for our medical care program is requested at a level of \$457 million—\$307 million for major construction and \$150 million for minor construction. All of these resources will be devoted to a continuation of the Capital Asset Realignment for Enhanced Services (CARES) program to renovate and modernize VA's health care infrastructure and to provide greater access to high-quality care for more veterans, closer to where they live. When combined with the additional \$293 million that was enacted in the Hurricane Katrina emergency funding package in late December 2005 to fund a CARES project for a new hospital in Biloxi, Mississippi, the total CARES funding for 2004 to 2007 amounts to nearly \$3 billion.
- About one-third of our major construction request for medical care will be for the continued development of two ongoing medical facility projects—\$97.5 million to address seismic corrections in Long Beach; and \$52 million for a new medical facility in Denver. In addition, our request for major construction funding includes \$38.2 million to construct a new nursing home care unit and new dietetics space, as well as to improve patient and staff safety by correcting seismic, fire, and life safety deficiencies at American Lake (Washington); \$32.5 million for a new spinal cord injury center at Milwaukee; \$25.8 million to replace the operating room suite at Columbia (Missouri); and \$7 million to renovate underutilized vacant space located at the Jefferson Barracks Division campus at St. Louis.
- We are also requesting \$53.4 million in major construction funding and \$25 million in minor construction resources to support our burial program. Our request for major construction includes funds for cemetery expansion and improvement at Great Lakes, Michigan (\$16.9 million), Dallas/Ft. Worth (\$13 million), and Gerald B. H. Solomon, Saratoga, New York (\$7.6 million). Our request will also provide \$2.3 million in design funds to develop construction documents to design gravesite expansion projects at Abraham Lincoln National Cemetery (Illinois) and at Quantico National Cemetery (Virginia). In addition,

the major construction request includes \$13.6 million for the development of master plans for six new national cemeteries in areas directed by the National Cemetery Expansion Act of 2003—Bakersfield, California; Birmingham, Alabama; Columbia-Greenville, South Carolina; Jacksonville, Florida; Sarasota County, Florida; and southeastern Pennsylvania.

- The President's 2007 budget request for VA provides \$85 million for grants for the construction of state extended care facilities and \$32 million for grants for the construction of state veterans' cemeteries.
- **Office of the Inspector General.** Budget authority of \$69.5 million and 483 FTE are requested to support the activities of the Office of the Inspector General (OIG) in 2007. The budget authority together with \$3.4 million in estimated reimbursements will provide for total gross obligations of \$72.9 million in 2007. This budget authority will assist the OIG in overseeing the quality of health care services rendered our veterans, identifying internal control vulnerabilities in benefit payment processes and detecting fraud through extensive review and analysis of VA databases and matching initiatives.
- **Departmental Information Technology (IT) Oversight.** The President's 2007 budget for VA provides \$1.257 billion for the non-personal services costs associated with information technology (IT) projects across the Department. This total is \$43.2 million, or 3.6 percent, above the 2006 level.
- IT resources for our medical care program constitute 66 percent of our total non-personal services funding requested for IT projects. Funds to support our benefits programs comprise 4 percent of the total, while IT resources for our burial program amount to less than 1 percent. The remaining IT resources in our 2007 request support department wide projects managed by the Office of Information and Technology (23 percent) and Office of Management (6 percent) to support department-wide initiatives and operations.
- The most critical IT project for our medical care program is the continued operation and improvement of the Department's electronic medical record system, which has been recognized nationally for increasing patient safety. Within this overall initiative, we are requesting \$51 million for ongoing development and implementation of HealthVet-VistA (Veterans Health Information Systems and Technology Architecture) which will incorporate new technology, new or reengineered applications, and data standardization to improve the status of veterans' health. This system will make use of standards that will enhance the sharing of data within VA as well as with other federal agencies and public and private sector organizations. Health data will be stored in a veteran-centric format replacing the current facility-centric system. The standardized health information can be easily shared between facilities, making patients' electronic health records available to all those providing health care to veterans.

- Until HealthVet-VistA is operational, we need to maintain the VistA legacy system. This system will remain operational as new applications are developed and implemented. This approach will mitigate transition and migration risks associated with the move to the new architecture. Our budget provides an additional \$188 million in 2007 for the VistA legacy system.
- In support of the Department's education program, our 2007 request includes an additional \$3 million in non-personal services costs to continue the development of The Education Expert System. This will replace the existing benefit payment system with one that will allow the Department to automatically process education claims received electronically.
- VA's 2007 request provides \$57.4 million for cyber security. This ongoing initiative involves the development, deployment, and maintenance of a set of enterprise-wide security controls to better secure our IT architecture in support of all of the Department's program operations.

Leadership Initiatives and Management Improvements

VA Executive Board and Strategic Management Council

Senior VA leadership communicates regularly to improve performance and increase accountability. In May 2001, the Secretary established two leadership forums to provide a more integrated and collaborative governance, performance review, and decision-making process. The VA Executive Board (VAEB), chaired by the Secretary, includes the Deputy Secretary, Chief of Staff, General Counsel, and Under Secretaries for Health, Benefits, and Memorial Affairs. The Strategic Management Council (SMC), chaired by the Deputy Secretary, includes the six Assistant Secretaries; the Deputy Under Secretaries for Health, Benefits, and Memorial Affairs; the Deputy General Counsel; Chair for the Board of Veterans' Appeals; Chief of Staff; Counselor to the Secretary; and the Senior Advisor to the Deputy Secretary. The SMC serves as the day-to-day operational management body for the Department. In most cases, the SMC makes recommendations to the VAEB, which makes key decisions affecting VA.

The SMC accomplished the following actions:

- Worked to address congressional concerns with the VETSNET program.
- Conducted pre- and post-award audits on VA drug contracts.
- Directed an assessment on post-traumatic stress disorder (PTSD) trends for Vietnam, Operation Iraqi Freedom (OIF), and Operation Enduring Freedom (OEF) veterans.
- Explored alternative land acquisition strategies to meet future demands for burial space.
- Validated a plan to meet a secretarial mandate to reduce the number of days required to hire a new employee/fill a position, from 160 to 92 days.
- Approved the development of an implementation plan for enhanced preventive health to combat obesity among veterans.
- Approved initiation of a program evaluation of the VA Burial program.
- Reviewed and made recommendations on the e-Payroll and e-Travel Initiatives.
- Reviewed and made recommendations on VA's initiatives on the President's Management Agenda (PMA).

Business Oversight Board

The VA Business Oversight Board (Board) meets quarterly to review all major business policy and operations issues involving procurement, collections (primarily medical collections), capital asset management, and business revolving funds (Canteen, General Post Fund, Franchise Fund, Supply Fund). The Board monitors performance of the operating plans approved by the Secretary and identifies and manages key business issues facing VA.

- The Board continued the restructuring of the Department's capital assets with the goal of reducing the funds needed to operate and maintain the capital asset infrastructure. The Office of Trust Oversight was established to ensure better oversight.
- The Consolidated Mail Outpatient Pharmacy (CMOP) received additional scrutiny this year. Previously the capital investments were funded on an ad hoc basis. With the Board's support, VHA adopted a policy that added a capitalization fee to the cost of each script. This policy permits the program to accrue funds to support the acquisition of replacement equipment and additional facilities in support of the CMOP strategic plan.
- One of the Board's primary focuses has been on procurement reform. VA contracts for nearly \$9 billion a year in goods and services. To date, the Department has completed 60 of the 65 reforms recommended by the Secretary's Procurement Reform Task Force. The Department is on track to complete all 65 recommendations by the end of calendar year 2005. This will improve efficiency and extend VA's buying power for its health care system.
- The Board has monitored VA's progress in improving the way the Department manages revenue collections. This past year, the Board placed an increased emphasis on reducing the gross days revenue outstanding to maximize collections.

At the request of the Board, VHA, working with the Office of General Counsel, has formalized national payer relationship management to facilitate prompt appropriate payment of health care claims from third-party payers.

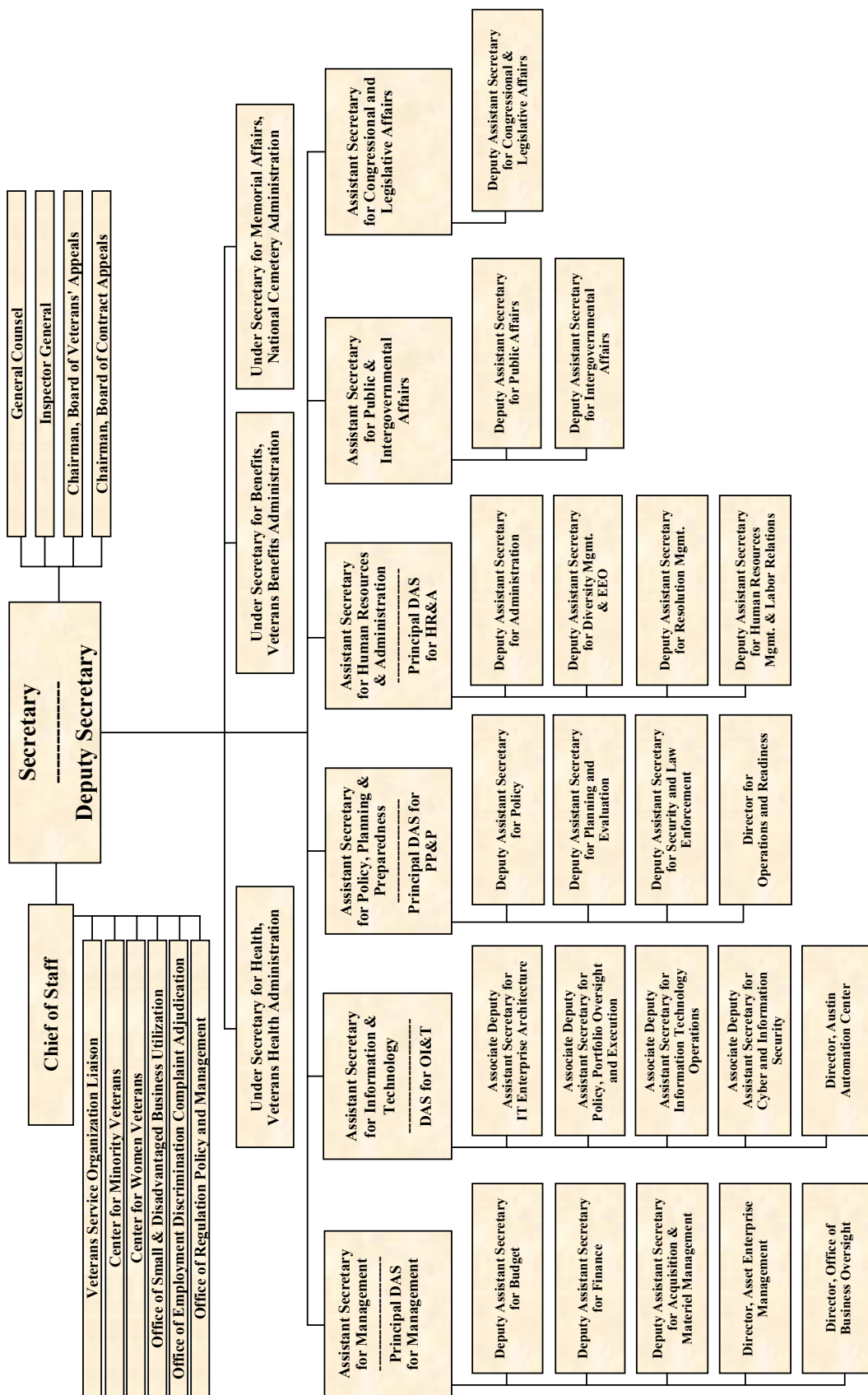
Monthly Performance Reviews

The Monthly Performance Reviews, chaired by the Deputy Secretary, focus on financial and program performance. In this context, the Department's leadership discusses and makes decisions on mission-critical issues related to performance, budget, workload targets, and associated results.

- Using financial and performance metrics, each VA administration and staff office depicts its progress in meeting established monthly and/or fiscal-year-to-date goals.
- Actual obligations, FTE, workload, and performance levels are compared to those in the operating plans.

Projects are reviewed noting milestones achieved and timeliness of milestone accomplishment. At the end of a given fiscal year, annual results are recorded in the Department's Performance and Accountability Report.

DEPARTMENT OF VETERANS AFFAIRS



Updated October 14, 2005. Questions regarding VA's Organizational Chart should be directed to the Office of Administration at (202) 273-5355.

Mission and Program Descriptions

*"To care for him who shall have borne the battle,
and for his widow, and his orphan ..."*

Our Mission:

The mission of the Department of Veterans Affairs (VA) is clear and compelling: To provide timely, high-quality benefits and services to the millions of men and women who have served this country with honor in the military.

VA fulfills the words spoken by President Lincoln nearly 150 years ago by working to provide world-class benefits and services to veterans in a cost-effective manner. President Lincoln's words guide the efforts of more than 200,000 VA employees who are committed to providing the best medical care, benefits, social support, and lasting memorials to veterans and their dependents in recognition of veterans' service to this Nation.

Our Programs: What they Do

Veterans Health Administration

Providing Medical Care to Veterans

VA operates the largest direct health care delivery system in the country. In this context, VA meets the health care needs of America's veterans by providing a broad range of primary care, specialized care, and related medical and social support services. VA focuses on providing health care services that are uniquely related to veterans' health or special needs. VA is the Nation's largest provider of health care education and training for medical residents and other health care trainees. Our education and training programs are designed to help ensure an adequate supply of clinical care providers for veterans and the Nation.

Conducting Veteran-Centered Medical Research

VA advances medical research and development in ways that support veterans' needs by pursuing medical research in areas that most directly address the diseases and conditions that affect veterans. Shared VA medical research findings contribute to the public good by improving the Nation's overall knowledge of disease and disability.

Veterans Benefits Administration

Delivering Compensation Benefits to Veterans

The Compensation program provides monthly payments and ancillary benefits to veterans, in accordance with rates specified by law, in recognition of the average potential loss of earning capacity caused by a disability, disease, or death incurred or aggravated during active military service. This program also provides monthly payments, as specified by law, to surviving spouses, dependent children, and dependent parents in recognition of the economic loss caused by the veteran's death during active military service or, subsequent to discharge from military service, as a result of a service-connected disability.

Providing Pension Benefits to Veterans

The Pension program provides monthly payments, as specified by law, to needy wartime veterans at age 65 or over or who are permanently and totally disabled. This program also provides monthly payments, as specified by law, to needy surviving spouses and dependent children of deceased wartime veterans who die as a result of a disability unrelated to military service.

Providing Education Opportunities to Veterans

The Education program assists eligible veterans, servicemembers, reservists, survivors, and dependents in achieving their educational or vocational goals.

Delivering Vocational Rehabilitation and Employment Services to Veterans

The Vocational Rehabilitation and Employment program assists veterans with service-connected disabilities to achieve functional independence in daily activities, become employable, and obtain and maintain suitable employment.

Promoting Homeownership Among Veterans

The Housing program helps eligible veterans, active duty personnel, surviving spouses, and selected reservists purchase and retain homes.

Providing Insurance Service to Veterans

The Insurance program provides veterans, servicemembers, and family members with life insurance benefits, some of which are not available from other providers — such as the commercial insurance industry — due to lost or impaired insurability resulting from military service. Insurance coverage is made in reasonable amounts and at competitive premium rates comparable to those offered by commercial companies. The program ensures a competitive, secure rate of return on investments held on behalf of the insured.

National Cemetery Administration

Delivering Burial Services to Veterans

Primarily through the National Cemetery Administration (NCA), VA honors veterans with final resting places in national shrines and lasting memorials that commemorate the veterans' service to the Nation.

Staff Offices

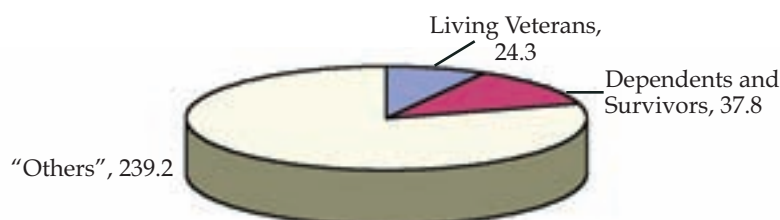
The Department's staff offices are critical to VA's ability to deliver services to veterans in a cost-effective manner. These offices provide a variety of services including human resources management, accounting, information technology, acquisition, and facilities management.

Veterans Population

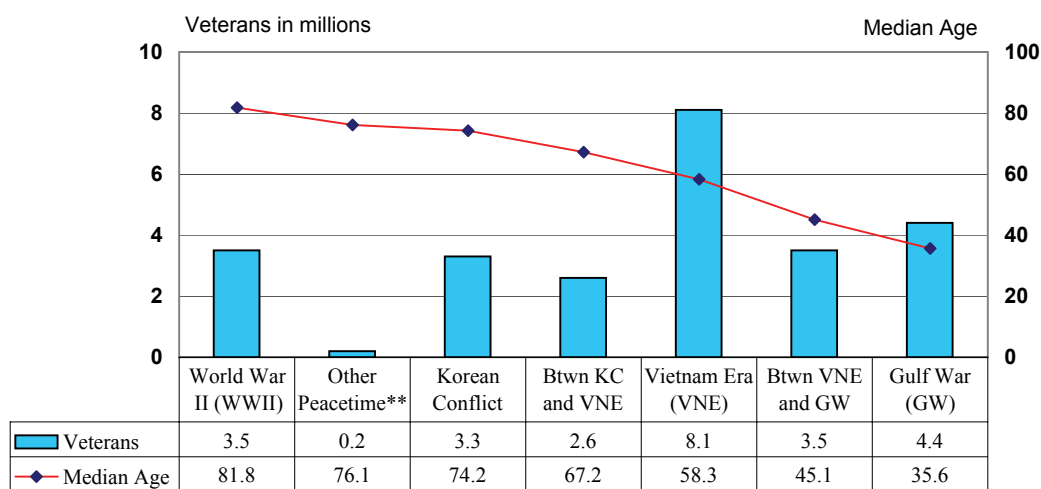
On September 30, 2005, there were an estimated 24.4 million living veterans, with 24.3 million of them in the U.S. and Puerto Rico. There were an estimated 37.2 million dependents (spouses and dependent children) of living veterans in the U.S. and Puerto Rico. There were over 542,300 survivors of deceased veterans receiving VA survivor benefits. Thus, more than 62 million people, or 21 percent of the total estimated resident population of the U.S. and Puerto Rico, (301.2 million) were recipients, or potential recipients, of veterans' benefits from the Federal Government.

The pie chart represents the estimated number (in millions) in the resident population of the U.S. and Puerto Rico classified as living veterans, dependents of living veterans and survivors of veterans receiving VA survivor benefits, and others (the remainder of the resident population) as of September 30, 2005.

**Estimated Population of Living Veterans, Dependents of Living Veterans, Survivors of Veterans Receiving VA Survivor Benefits, and Others
U.S. and Puerto Rico, September 30, 2005
(in millions)**



**Estimated Number and Median Age of Veterans by Period of Service*,
September 30, 2005**



*Veterans are included in all wartime periods in which they served. Therefore, period categories do NOT add to total veteran population.

** Pre-KC, not WWII

**In compliance with provisions of the Veterans' Judicial Review Act,
P. L. 100-687, Section 1404.**

<i>Estimates of Combat Theatre Obligations from the National Survey of Veterans</i> (dollars in millions)			
Appropriations	2005 Obligations	Estimate of Combat Theatre Veterans *	Estimated Obligation on Combat Theatre Veterans
Employment Services			
HIRE/CETA	N/A	N/A	
EJTP/VJTP	N/A	N/A	
Compensation	\$24,445	58%	\$14,178
Dependent and Indemnity Compensation	4,197	N/A	
Pensions			
Veterans	2,652	51%	\$1,353
Survivors	731	N/A	
Inpatient Facilities	13,264	50%	\$6,632
Outpatient Care	14,435	49%	\$7,073
Miscellaneous Medical Service	1,928	N/A	
Readjustment Counseling	82	N/A	
Veterans Insurance and Indemnities	44	50.2	\$2,209
Specially Adapted Housing	28	N/A	
Burial Benefits	153	49%	\$75
Educational Assistance	2,603	40%	\$1,041
Vocational Rehabilitation	573	43%	\$246
Survivors' and Dependents' Educational Assistance	389	N/A	
Home Loan Guaranty (Liquidating)	25	43%	\$11
Automobiles and Adaptive Equipment	54	N/A	

* Combat Theatre is based on the question, "Did you ever serve in a combat or war zone?" from the 2001 National Survey of Veterans (NSV). N/A - Not available from the 2001 NSV.

Most NSV questions on program usage refer to current usage (2000 - 2001 time period) or in case of burial benefits anticipated usage. However, because education and vocational rehabilitation questions asked if veterans had ever used these programs, answers for this table for those programs were restricted to veterans discharged in the last 10 years. Home Loan Guaranty refers to veterans who used the program since leaving the military.

Participation in VA Programs

Program	Projected FY 2007 Participants*
Medical Care	
Unique Patients	**5,298,623
Compensation	
Veterans	2,867,000
Survivors/Children	348,500
Pension	
Veterans	325,300
Survivors	194,500
Education	
Veterans/Servicemembers	373,400
Reservists	142,300
Survivors/Dependents	83,200
Vocational Rehabilitation	
Veterans	98,100
Housing	
Loans Guaranteed	230,000
Insurance	
Veterans	1,686,200
Servicemembers/Reservists	2,417,900
Spouses/Dependents	2,984,000
Burial	
Interments	107,300
Graves Maintained	2,856,100
Headstone/Markers (Processed)	355,300
Presidential Memorial Certificates	461,400
*Numbers rounded to nearest hundred	

**Estimated

How We Measure Performance

VA employs a **four-tiered performance management framework** to measure performance.

<i>Term</i>	<i>Definition</i>
<i>Strategic Goals</i>	The Department's long-term outcomes as detailed in the Strategic Plan. VA has four strategic goals and one enabling goal.
<i>Strategic Objectives</i>	Broad operational focus areas designed to achieve strategic goals. The Department has 21 strategic objectives.
<i>Performance Measures</i>	Specific measurable values or characteristics used to measure progress towards achievement of strategic objectives. The Department has 130 measures, 24 of which have been designated by VA's senior leadership as "key" or critical to the success of the Department. The Department uses a mix of different types of measures to evaluate outcome, output, and efficiency.
<i>Performance Targets</i>	Quantifiable expressions of desired performance/success levels to be achieved during a given fiscal year.

VA's strategic objectives are supported by more than 120 performance measures, 24 of which were identified by VA's senior leadership as **mission critical**. The Department's performance measures are a mix of program outcomes that measure the impact that VA programs have on the lives of veterans and their families, program outputs that measure activities undertaken to manage and administer these programs, and program efficiency that measures the cost of delivering an output or desired outcome.

FY 2007 Obligations Shown by Program and by Strategic Goal (\$ Millions)						
VA's Programs	Total Obligations	VA's Strategic Goals				
		Restore Disabled Veterans	Ensure a Smooth Transition	Honor and Serve Veterans	Support National Goals	Application of Sound Business Principles
Medical Care	\$39,283	\$26,761	\$114	\$8,158	\$1,218	\$3,032
Medical Research	\$820	\$454			\$366	
Compensation	\$35,376	\$35,376				
Pension	\$3,720			\$3,720		
Education	\$3,392	\$339	\$3,053			
Vocational Rehabilitation	\$816	\$816				
Housing	\$346		\$346			
Insurance	\$2,795	\$226	\$1,159	\$1,410		
Burial	\$553			\$422	\$131	
Departmental Management 1/	\$1,361	\$55			\$<1M	\$1,305
Total	\$88,462	\$64,027	\$4,672	\$13,710	\$1,716	\$4,337

1/ Includes Department-wide IT initiatives and Franchise Fund Obligations.

FY 2007 Obligations by Strategic Goal and Objective			
	Program	FY 2007 Obligations (\$ Millions)	% of Total Resources
	Total	\$88,462	100%
Strategic Goal 1: Restore the capability of veterans with disabilities to the greatest extent possible and improve the quality of their lives and that of their families.			
		\$64,027	72.4%
Objective			
1.1 Maximize the physical, mental, and social functioning of veterans with disabilities and be recognized as a leader in the provision of specialized health care services.	Medical Care Medical Research	\$27,215	30.8%
1.2 Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-disabled veterans.	Compensation Staff Offices	\$35,431	40.1%
1.3 Provide all service-disabled veterans with the opportunity to become employable and obtain and maintain suitable employment, while providing special support to veterans with serious employment handicaps.	Vocational Rehabilitation and Counseling	\$816	0.9%
1.4 Improve the standard of living and income status of eligible survivors of service-disabled veterans through compensation, education, and insurance benefits.	Education Insurance	\$565	0.6%
Strategic Goal 2: Ensure a smooth transition for veterans from active military service to civilian life.			
		\$4,672	5.3%
Objective			
2.1 Ease the reentry of new veterans into civilian life by increasing awareness of, access to, and use of VA health care, benefits and services.	Medical Care Insurance	\$1,273	1.4%
2.2 Provide timely and accurate decisions on education claims and continue payments at appropriate levels to enhance veterans' and servicemembers' ability to achieve educational and career goals.	Education	\$3,053	3.5%
2.3 Improve the ability of veterans to purchase and retain a home by meeting or exceeding lending industry standards for quality, timeliness, and foreclosure avoidance.	Housing	\$346	0.4%
Strategic Goal 3: Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.			
		\$13,710	15.5%
Objective			
3.1 Provide high quality, reliable, accessible, timely and efficient health care that maximizes the health and functional status for all enrolled veterans, with special focus on veterans with service-connected conditions, those unable to defray the cost, and those statutorily eligible for care.	Medical Care	\$8,158	9.2%
3.2 Process pension claims in a timely and accurate manner to provide eligible veterans and their survivors a level of income that raises their standard of living and sense of dignity.	Pension	\$3,720	4.2%
3.3 Maintain a high level of service to insurance policy holders and their beneficiaries to enhance the financial security for veterans' families.	Insurance	\$1,410	1.6%
3.4 Ensure that the burial needs of veterans and eligible family members are met.	Burial	\$340	0.4%
3.5 Provide veterans and their families with timely and accurate symbolic expressions of remembrance.	Burial	\$82	0.1%

FY 2007 Obligations by Strategic Goal and Objective			
	Program	FY 2007 Obligations (\$ Millions)	% of Total Resources
Strategic Goal 4: Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation.		\$1,716	1.9%
Objective			
4.1 Improve the Nation's preparedness for response to war, terrorism, national emergencies, and natural disasters by developing plans and taking actions to ensure continued service to veterans as well as support to national, state, and local emergency management and homeland security efforts.	Staff Offices Medical Care	<\$1M	0.0%
4.2 Advance VA medical research and development programs that address veterans' needs, with an emphasis on service-connected injuries and illnesses, and contribute to the Nation's knowledge of disease and disability.	Medical Research	\$366	0.4%
4.3 Sustain partnerships with the academic community that enhance the quality of care to veterans and provide high quality educational experiences for health care trainees.	Medical Care	\$1,218	1.4%
4.4 Enhance the socioeconomic well-being of veterans, and thereby the Nation and local communities, through veteran's benefits; assistance programs for small, disadvantaged, and veteran-owned businesses; and other community initiatives.	Staff Offices	\$<1M	0.0%
4.5 Ensure that national cemeteries are maintained as shrines dedicated to preserving our Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made.	Burial	\$131	0.1%
Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.		\$4,337	4.9%
Objective			
E-1 Recruit, develop, and retain a competent, committed, and diverse workforce that provides high quality service to veterans and their families.	Staff Offices	\$98	0.1%
E-2 Improve communications with veterans, employees, and stakeholders about the Department's mission, goals, and current performance as well as benefits and services VA provides.	Staff Offices	\$15	0.0%
E-3 Implement a <i>One VA</i> information technology framework that supports the integration of information across business lines and that provides a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.	Staff Offices	\$430	0.5%
E-4 Improve the overall governance and performance of VA by applying sound business principles; ensuring accountability; enhancing our management of resources through improved capital asset management, acquisition, and competitive sourcing; and linking strategic planning, budgeting, and performance planning.	All Offices	\$3,794	4.3%

VA's Key Performance Measures for FY 2007

Strategic Goal/ Key Measure	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	
Strategic Goal 1: Restore the capability of veterans with disabilities to the greatest extent possible and improve the quality of their lives and that of their families.							
National accuracy rate (core rating work) % (Compensation)	80%	86%	87%	84%	87%	88%	98%
Compensation & Pension rating-related actions - average days to process (Also supports SG #3)	223	182	166	167	185	182	125
Rating-related compensation actions - average days pending	179	114	120	122	150	141	78
Rehabilitation rate % (VR&E)	62%	59%	62%	63%	69%	69%	70%
Average days to process - DIC actions (Compensation)	172	153	125	124	120	119	90
Strategic Goal 2: Ensure a smooth transition for veterans from active military service to civilian life.							
Average days to complete original education claims	34	23	26	33	27	25	10
Average days to complete supplemental education claims	16	12	13	19	13	12	7
Foreclosure avoidance through servicing (FATS) ratio % (Housing)	43%	45%	44%	48%	47%	47%	47%
Strategic Goal 3: Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.							
Percent of patients rating VA health care service as very good or excellent - inpatient	70%	74%	74%	77%	74%	74%	74%
Percent of patients rating VA health care service as very good or excellent - outpatient	71%	73%	72%	77%	73%	73%	73%
Percent of primary care appointments scheduled within 30 days of desired date	89%	93%	94%	96%	96%	96%	94%
Percent of specialty care appointments scheduled within 30 days of desired date (1) results as of 9/30, (2) reflects cum. for year, (3) henceforth, eight clinical areas now included instead of five	(1) 86%	(2) 89%	(3) 93%	93%	93%	93%	93%
Clinical Practice Guidelines Index	Baseline	70%	77%	87%	77%	78%	80%
Prevention Index II	82%	83%	88%	90%	88%	88%	88%

VA's Key Performance Measures for FY 2007

Strategic Goal/ Key Measure	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	
Increase non-institutional long-term care as expressed by average daily census	24,126	24,413	25,523	27,469	32,105	36,722	49,486
Non-rating pension actions - average days to process	65	67	58	68	66	65	60
National accuracy rate (authorization pension work) (%)	76%	81%	84%	86%	88%	89%	98%
Average number of days to process insurance disbursements (Insurance)	2.6	2.4	1.8	1.8	2.7	2.7	2.7
Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence	73.9%	75.2%	75.3%	77.1%	81.6%	83.8%	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	91%	94%	94%	94%	96%	97%	100%
Percent of graves in national cemeteries marked within 60 days of interment	49%	72%	87%	94%	90%	90%	90%
Strategic Goal 4: Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation.							
Number of peer-reviewed publications authored by VA investigators within the fiscal year	N/A	N/A	2,557	2,793	2,655	2,623	3,000
Percent of respondents who rate national cemetery appearance as excellent	97%	97%	98%	98%	99%	99%	100%

FY 2005 Key Measures Data Table

Owner	Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	Frequency	Data Limitations	Data Verification and Measure Validation
VBA	Objective 1.2 Compensation: National accuracy rate (core rating work)	Processing accuracy for claims that normally require a disability or death determination. Review criteria include: addressing all issues, Veterans Claims Assistance Act (VCAA)-compliant development, correct decision, correct effective date, and correct payment date if applicable. Accuracy rate is determined by dividing the total number of cases with no errors in any of these categories by the number of cases reviewed.	Findings from C&P Service Systematic Technical Accuracy Review (STAR) are entered in an Intranet database maintained by the Philadelphia LAN Integration Team and downloaded monthly to the PA&I information storage database.	Case reviews are conducted daily. The review results are tabulated monthly and on a 12-month rolling basis.	None	Verification: C&P STAR quality reviews by individual reviewers are routinely validated by C&P managers as part of individual performance. Additionally, when a Regional Office disagrees with an error call, it is reviewed as part of a formal process requiring the concurrence of the service director. Validation: This measure assesses the quality of claims processing and assists VBA management in identifying improvement opportunities and training needs.
VBA	Objective 1.2 Compensation and Pension: Rating-related actions - average days to process	The average elapsed time (in days) it takes to complete claims is measured from the date the claim is received by VA to the date the decision is made. Includes the End Products (EP): Original Compensation, with 1-7 issues (EP110); Original Compensation, 8 or more issues (EP010); Original Service Connected Death Claim (EP140); Reopened Compensation Claims (EP020); Review Examination (EP310); Hospitalization Adjustment (EP320); Original Disability Pension (EP180); and Reopened Pension (EP120). The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed.	Data source is the Benefits Delivery Network (BDN). The data are manually input by VBA employees during the claims process. Results are extracted from BDN by VA managers. VBA's C&P Service owns the data and is therefore responsible for validation of data accuracy.	Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.	None	Verification: Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based Compensation and Pension Service, which performs quality and consistency reviews on cases from the Regional Offices with the highest rates of questionable practices. Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.
VBA	Objective 1.2 Compensation: Rating-related actions - average days pending	The measure is calculated by counting the number of days for all pending claims from the date each claim is received through the current reporting date. The total number of days is divided by the total number of pending claims. Compensation-Rating includes End Products: 110, 010, 020, 140, 310, and 320.	The source of data for this measure is the Benefits Delivery Network (BDN).	The element is a snapshot of the age of the inventory at the end of each processing day.	None	Verification: Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based Compensation and Pension Service, which performs quality and consistency reviews on cases from the Regional Offices with the highest rates of questionable practices. Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.
VBA	Objective 1.3 Vocational Rehabilitation and Employment Rehabilitation rate	The number of disabled veterans who acquire and maintain suitable employment and leave VA's vocational rehabilitation program, divided by the total number leaving the program minus those individuals who benefited from but left the program and have been classified under one of three "maximum rehabilitation gain" categories: (1) the veteran accepted a position incompatible with disability limitations, (2) the veteran is employable but has informed VA that he/she is not interested in seeking employment, and (3) the veteran is not employed and not employable for medical or psychological reasons. For those veterans with disabilities that make employment unfeasible, Vocational Rehabilitation and Employment (VR&E) seeks to assist them on becoming independent in their daily living.	VR&E management reports	Quality Assurance Reviews evaluate the accuracy and reliability of data and are conducted twice a month.	None	Verification: Quality assurance (QA) reviews are completed by each station and VR&E Service. The QA program was set up to review samples of cases for accuracy and to provide scoring at the RO level. The VR&E service reviews 76 cases per station each year and all field stations conduct local QA Reviews on 10 percent of their caseload. Validation: The primary goal of the VR&E program is to assist service-disabled veterans in becoming employable. The rehabilitation rate is the key indicator of the program's success in meeting this goal, as it illustrates the number of veterans successfully reentering the workforce following completion of their VR&E program.

FY 2005 Key Measures Data Table

Owner	Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	Frequency	Data Limitations	Data Verification and Measure Validation
VBA	Objective 1.4 Compensation: Average days to process - DIC actions	The average length of time it takes to process a DIC claim (EP140) from the date of receipt of claim in VA until the date of completion.	Benefits Delivery Network (BDN)	Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.	None	Verification: Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based Compensation and Pension Service, which performs quality and consistency reviews on cases from the Regional Offices with the highest rates of questionable practices. Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.
VBA	Objective 2.2 Average days to complete original and supplemental education claims	Elapsed time, in days, from receipt of a claim in the regional processing office to closure of the case by issuing a decision. Original claims are those for first-time use of this benefit. Any subsequent school enrollment is considered a supplemental claim.	Education claims processing timeliness is measured by using data captured automatically through VBA's Benefits Delivery Network. This information is reported through VBA's data warehouse using the Distribution of Operational Resources (DOOR) system.	Monthly	None	Verification: The Education Service staff in VA Central Office confirms reported data through ongoing quality assurance reviews conducted on a statistically valid sample of cases. Dates of claims are reviewed in the sample cases to ensure they are reported accurately. Each year, Central Office staff reviews a sample of cases from each of the four RPOs. Samples are selected randomly from a database of all quarterly end products. The results are valid at the 95 percent confidence level. Validation: Timeliness is directly related to the volume of work received, the resources available to handle the incoming work, and the efficiency with which the work can be completed, and is thus the best quantifying measure for education processing.
VBA	Objective 2.3 Foreclosure avoidance through servicing (FATS) ratio	The FATS ratio measures the effectiveness of VA supplemental servicing of defaulted guaranteed loans. The ratio measures the extent to which foreclosures would have been greater had VA not pursued alternatives to foreclosure.	Data are extracted from the Loan Service and Claims (LS&C) System. This system is used to manage defaults and foreclosures of VA-guaranteed loans.	Data are collected on a monthly basis.	There are five components that make up the FATS ratio. The four involving financial transactions are auditable. The fifth component, successful interventions, is based on employee interpretation of established criteria.	Verification: Data for the FATS ratio are validated on a monthly basis by Regional Loan Center (RLC) field review of all components of the ratio, followed by Central Office review of a percentage of successful interventions. Validation: The primary goal of Loan Guaranty Service is to assist veterans in obtaining home ownership. The FATS ratio measures VA's ability to assist veterans in maintaining home ownership during periods of personal financial strain.
VHA	Objective 3.1 Percent of patients rating VA health care service as very good or excellent: Inpatient and Outpatient	Data are gathered for these measures via a VA survey that is applied to a representative sample of inpatients and a sample of outpatients. The denominator is the total number of patients sampled who answered the question, "Overall, how would you rate your quality of care?" The numerator is the number of patients who respond 'very good' or 'excellent'.	Survey of Health Experiences of Patients	Surveys are conducted as follows: Inpatient - Semi-annually Outpatient - Quarterly.	None	Verification: Routine statistical analyses are performed to evaluate the data quality, survey methodology, and sampling processes. Responses to questions are routinely analyzed to determine which areas of VA's health care delivery system should be focused upon in order to positively impact the quality of health care delivered by VA. Validation: Satisfaction surveys are the most effective way to determine patient expectations and provide a focused critique on areas for improvement.

FY 2005 Key Measures Data Table

Owner	Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	Frequency	Data Limitations	Data Verification and Measure Validation
VHA	Objective 3.1 Percent of primary care appointments scheduled within 30 days of desired date	This measure tracks the time between when the primary care appointment request is made (entered into the computer) and the date for which the appointment is actually scheduled. The percent is calculated using the numerator, which is those scheduled within 30 days of desired date (includes both new and established patient experiences), and the denominator, which is all appointments in primary care clinics posted in the scheduling software during the review period.	VistA scheduling software	Monthly	None	Verification: The VistA scheduling software requires minimal interpretation from an employee to ensure accuracy of data collected. Validation: Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.
VHA	Objective 3.1 Percent of specialty care appointments scheduled within 30 days of desired date	This measure tracks the number of days between when the specialty appointment request is made (entered into the computer) and the date for which the appointment is actually scheduled. This includes both new and established specialty care patients. The percent is calculated using the numerator, which is all appointments scheduled within 30 days of desired date and the denominator, which is all appointments posted in the scheduling software during the review period in selected high volume/key specialty clinics.	VistA scheduling software	Monthly	None	Verification: The VistA scheduling software requires minimal interpretation from an employee to ensure accuracy of data collected. Validation: Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.
VHA	Objective 3.1 Clinical Practice Guidelines Index	The Clinical Practice Guidelines Index is a composite measure comprised of the evidence and outcomes-based measures for high-prevalence and high-risk diseases that have significant impact on overall health status. The indicators within the Index are comprised of several clinical practice guidelines in the areas of ischemic heart disease, hypertension, diabetes mellitus, major depressive disorder, schizophrenia, and tobacco use cessation. The percent compliance is an average of the separate indicators.	VHA biostatisticians design and obtain a statistically valid random sample of medical records for review. The findings of the review are used to calculate the index scores.	Data are reported quarterly with a cumulative average determined annually.	None	Verification: Review is performed by an external contractor to ensure accuracy of findings. In addition, the reliability of the collected data is evaluated using accepted statistical methods along with inter-rater reliability assessments that are performed each quarter. Validation: The CPGI demonstrates the degree to which VHA provides evidence-based clinical interventions to veterans seeking care in VA. The measure targets elements of care that are known to have a positive impact on the health of our patients who suffer from commonly occurring acute and chronic illnesses.
VHA	Objective 3.1 Prevention Index II	The Prevention Index is an average of nationally recognized primary prevention and early detection interventions for nine diseases or health factors that significantly determine health outcomes. The nine diseases or health factors include: rate of immunizations for Influenza and Pneumococcal pneumonia; screening for tobacco consumption, alcohol abuse, breast cancer, cervical cancer, colorectal cancer, and cholesterol levels; and prostate cancer education. Each disease has an indicator. Each indicator's numerator is the number of patients in the random sample who actually received the intervention they were eligible to receive. The denominator is the number of patients in the random sample who were eligible to receive the intervention.	VHA biostatisticians design and obtain a statistically valid random sample of medical records for review. The findings of the review are used to calculate the index scores.	Data are reported quarterly with a cumulative average determined annually.	None	Verification: Review is performed by an external contractor to ensure accuracy of findings. In addition, the reliability of the collected data is evaluated using accepted statistical methods along with inter-rater reliability assessments that are performed each quarter. Validation: The Prevention Index II demonstrates the degree to which VHA provides evidence-based clinical interventions to veterans seeking preventive care in VA. The measure targets elements of preventive care that are known to have a positive impact on the health and well-being of our patients.

FY 2005 Key Measures Data Table

Owner	Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	Frequency	Data Limitations	Data Verification and Measure Validation
VHA	Objective 3.1 Increase non-institutional long term care as expressed by average daily census	The number is the Average Daily Census (ADC) of veterans enrolled in Home and Community-Based Care programs (e.g., Home-Based Primary Care, Contract Home Health Care, Adult Day Health Care (VA and Contract), and Homemaker/Home Health Aide Services).	The ADC data are obtained from VHA workload reporting databases designed to capture both VHA-provided care and VHA-paid (fee-based or contracted) care.	Quarterly	None	Verification: VHA data quality/accuracy standards are applied and data undergo audits and ongoing verification to ensure accuracy. This is critical as data are used for budgeting, workload planning, etc. Validation: The measure captures the expansion of access to non-institutional care within VHA programs and/or contracted services. Non-institutional care is deemed to be more desirable and cost efficient for those veterans that are appropriate for this level of care. The measure drives both expansion of the variety of services and expansion of geographic access.
VBA	Objective 3.2 Compensation and Pension: Rating-related actions - average days to process	The average elapsed time (in days) it takes to complete claims is measured from the date the claim is received by VA to the date the decision is made. Includes the End Products (EP): Original Compensation, with 1-7 issues (EP110); Original Compensation, 8 or more issues (EP010); Original Service Connected Death Claim (EP140); Reopened Compensation Claims (EP020); Review Examination (EP310); Hospitalization Adjustment (EP320); Original Disability Pension (EP180); and Reopened Pension (EP120). The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed.	Data source is the Benefits Delivery Network (BDN). The data are manually input by VBA employees during the claims process. Results are extracted from BDN by VA managers. VBA's C&P Service owns the data and is therefore responsible for validation of data accuracy.	Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.	None	Verification: Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based Compensation and Pension Service, which performs quality and consistency reviews on cases from the Regional Offices with the highest rates of questionable practices. Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.
VBA	Objective 3.2 Pension: Non-rating actions - average days to process	The average elapsed time (in days) it takes to complete claims is measured from the date the claim is received by VA to the date the decision is made. Pension Non-Rating includes: Disability and Death Dependency (EP130); Income, Estate and Election Issues (EP150); IVM Match Cases - DIC (EP154); EVR Referrals (EP155); and Original Death Pension (EP190). The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed.	The source of data for this measure is the Benefits Delivery Network (BDN). The data are manually input by VBA employees during the claims process. Results are extracted from BDN by VA managers. VBA's C&P Service owns the data and is therefore responsible for validation of data accuracy.	Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.	None	Verification: Data are analyzed weekly and results are recorded quarterly by VBA's Central Office-based Compensation and Pension Service, which performs quality and consistency reviews on cases from the Regional Offices with the highest rates of questionable practices. Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.
VBA	Objective 3.2 Pension: National accuracy rate (authorization work)	Processing accuracy for claims that normally require determinations and verifications of income as well as dependency and relationship matters. Review criteria include: all Pension authorization work such as correct decision, correct effective date, and correct payment date when applicable. It also includes Veterans Claims Assistance Act (VCAA)-compliant development. Accuracy rate is determined by dividing the total number of cases with no errors in any one category by the number of cases reviewed.	Findings from C&P Service Systematic Technical Accuracy Review (STAR) are entered in an Intranet database maintained by the Philadelphia LAN Integration Team and downloaded monthly to the PA&I information storage database.	Case reviews are conducted daily. The review results are tabulated monthly and annually.	None	Verification: C&P STAR quality reviews by individual reviewers are routinely validated by C&P managers as part of individual performance. Additionally, when a Regional Office disagrees with an error call, it is reviewed as part of a formal process requiring the concurrence of the service director. Validation: This measure assesses the quality of claims processing and assists VBA management in identifying improvement opportunities and training needs.

FY 2005 Key Measures Data Table

Owner	Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	Frequency	Data Limitations	Data Verification and Measure Validation
VBA	Objective 3.3 Average number of days to process insurance disbursements	Insurance disbursements are death claims paid to beneficiaries, policy loans, and cash surrenders requested by policyholders. Average processing days are a weighted composite for all three types of disbursements based on the number of end products and timeliness for each category. Processing time begins when the veteran's application or beneficiary's fully completed claim is received and ends when the internal controls staff approves the disbursement. The average processing days for death claims is multiplied by the number of death claims processed. The same calculation is done for loans and cash surrenders. The sum of these calculations is divided by the sum of death claims, loans, and cash surrenders processed to arrive at the weighted average processing days for disbursements.	Data on processing time are collected and stored through the Statistical Quality Control (SQC) Program and the Distribution of Operational Resources (DOOR) system.	Monthly	None	Verification: The Insurance Service periodically evaluates the SQC Program to determine if it is being properly implemented. The composite weighted average processing days measure is calculated by the Insurance Service and is subject to periodic data verification reviews. Timeliness information is considered to be valid for management of operations. Validation: The sole purpose of life insurance is to provide a measure of financial security to the beneficiaries of veterans. The timeliness of disbursements is the primary reflection of this purpose. It provides a clear indication of the ability to process the workload in a quality, timely manner.
NCA	Objective 3.4 Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence	The measure is the number of veterans served by a burial option divided by the total number of veterans, expressed as a percentage. A burial option is defined as a first family member interment option (whether for casketed remains or cremated remains, either in-ground or in columbaria) in a national or state veterans cemetery that is available within 75 miles of the veteran's place of residence.	For 2002, the number of veterans and the number of veterans served were extracted from the VetPop2000 model using updated 1990 census data. For 2003 through 2005, the number of veterans and the number of veterans served were extracted from a revised VetPop2000 model using 2000 census data. For projected targets, the number of veterans and the number of veterans served were extracted from the VetPop2004 version 1.0 model using 2000 census data.	Recalculated annually or as required by the availability of updated veteran population census data. Projected openings of new national or state veterans cemeteries and changes in the service delivery status of existing cemeteries also determine the veteran population served.	Provides performance data at specific points in time as veteran demographics change.	Verification: In 1999, the OIG performed an audit assessing the accuracy of the data used for this measure. Data were revalidated in the 2002 report entitled Volume 1: Future Burial Needs, prepared by an independent contractor as required by the Veterans Millennium Health Care and Benefits Act, P.L. 106-117. Validation: Reasonable access to a burial option means that a first interment option (whether for casketed remains or cremated remains, either in-ground or in columbaria) in a national or state veterans cemetery is available within 75 miles of the veteran's place of residence. VA established a 75-mile service area standard because NCA data show that more than 80 percent of persons interred in national cemeteries resided within 75 miles of the cemetery at the time of death.
NCA	Objective 3.4 Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	The number of survey respondents who agree or strongly agree that the quality of service received from national cemetery staff is excellent divided by the total number of survey respondents, expressed as a percentage.	NCA's Survey of Satisfaction with National Cemeteries. The survey collects data from family members and funeral directors who have recently received services from a national cemetery.	Annually	The mail-out survey provides statistically valid performance data at the national level and MSN levels and at the cemetery level for cemeteries having at least 400 interments per year.	Verification: VA Headquarters staff oversees the data collection process and provides an annual report at the national level that describes the sampling plan and survey methodology. In addition, MSN and cemetery level reports are provided to NCA management. Validation: NCA strives to provide high-quality, courteous, and responsive service in all of its contacts with veterans and their families and friends. These contacts include scheduling the interment service, arranging for and conducting interments, and providing information about the cemetery and the location of specific graves.

FY 2005 Key Measures Data Table

Owner	Key Performance Measure Sorted by Strategic Objective	Definition	Data Source	Frequency	Data Limitations	Data Verification and Measure Validation
NCA	Objective 3.5 Percent of graves in national cemeteries marked within 60 days of interment	The number of graves in national cemeteries for which a marker has been set at the grave or the reverse inscription completed within 60 days of the interment divided by the number of interments, expressed as a percentage.	NCA's Burial Operations Support System (BOSS) as input by field stations.	Monthly	None	Verification: VA Headquarters staff oversees the data collection process to validate its accuracy and integrity. Monthly and fiscal-year-to-date reports are provided at the national, MSN, and cemetery levels. Validation: The headstone or marker is a lasting memorial that serves as a focal point not only for present-day survivors but also for future generations. In addition, it may bring a sense of closure to the grieving process to see the grave marked. The amount of time it takes to mark the grave after an interment is important to veterans and their family members.
VHA	Objective 4.2 Number of peer-reviewed publications authored by VA investigators within the fiscal year	The number of peer-reviewed publications by VA investigators that show VA listed as the affiliated institution as determined by a PubMed search.	Annual search of PubMed listed articles by Office of Research and Development	Annually	None	Verification: PubMed is a nationally published databank for published research and is external to VA. VA search will be conducted by R&D but is easily verified by external review for accuracy and completeness. Validation: Translation of research results to health care is a complex process that usually involves publication of significant findings in peer-reviewed scientific journals. Successful publication reflects effectiveness in determining which investigators/ projects to fund, successful management of the research project itself, and effective communication of these results and their significance to scientific reviewers and journal editorial boards. Hence, publication rates reflect on the success of the entire research enterprise and serve as one quantitative indicator of the productivity of the overall research enterprise.
NCA	Objective 4.5 Percent of respondents who rate national cemetery appearance as excellent	The number of survey respondents who agree or strongly agree that the overall appearance of the national cemetery is excellent divided by the total number of survey respondents, expressed as a percentage.	NCA's Survey of Satisfaction with National Cemeteries. The survey collects data from family members and funeral directors who have recently received services from a national cemetery.	Annually	The mail-out survey provides statistically valid performance data at the national and MSN levels and at the cemetery level for cemeteries having at least 400 interments per year.	Verification: VA Headquarters staff oversees the data collection process and provides an annual report at the national level that describes the sampling plan and survey methodology. In addition, MSN and cemetery level reports are provided to NCA management. Validation: NCA will continue to maintain the appearance of national cemeteries as national shrines so that bereaved family members are comforted when they come to the cemetery for the interment, or later to visit the grave(s) of their loved one(s). Our Nation's veterans have earned the appreciation and respect not only of their friends and families, but also of the entire country and our allies. National cemeteries are enduring testimonials to that appreciation and should be places to which veterans and their families are drawn for dignified burials and lasting memorials.

Performance Measures by Strategic Goal and Objective

Strategic Goal/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	

Strategic Goal 1: Restore the capability of veterans with disabilities to the greatest extent possible and improve the quality of their lives and that of their families.

Objective 1.1: Maximize the physical, mental, and social functioning of veterans with disabilities and be recognized as a leader in the provision of specialized health care services.

Prevention Index II (Special Populations)	N/A	80%	86%	87%	86%	86%	86%
Percent of veterans who were discharged from a Domiciliary Care for Homeless Veterans (DCHV) Program or Community-based Contract Residential Care (HCHV) Program to an independent or a secured institutional living arrangement	65%	72%	79%	83%	80%	80%	80%
Percent of appointments for specialty health care services scheduled within 30 days of desired date for veterans and service members returning from a combat zone with an injury or illness	N/A	N/A	N/A	N/A	Baseline	86%	90%

Objective 1.2: Provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-disabled veterans.

National accuracy rate (core rating work) % (Compensation)	80%	86%	87%	84%	87%	88%	98%
Rating-related compensation actions - average days pending	179	114	120	122	150	141	78
Compensation & Pension rating-related actions - average days to process	223	182	166	167	185	182	125
Overall satisfaction % (Compensation)	55%	58%	59%	Available 2006	58%	63%	90%
Non-rating compensation actions - average days to process	57	49	50	59	58	57	40
Non-rating compensation actions - average days pending	93	95	94	98	95	91	60
National accuracy rate (compensation authorization work)	83%	88%	90%	90%	93%	95%	98%
Average number of days to initiate development of remands at the Appeals Management Center	N/A	N/A	N/A	28	16	15	15
Percent of veterans in receipt of compensation whose total income exceeds that of like circumstanced veterans (Comp)	N/A	N/A	N/A	TBD **	TBD **	TBD **	50%
Percent of compensation recipients who were kept informed of the full range of available benefits (Comp)	40%	42%	43%	Available 2006	45%	49%	60%

Performance Measures by Strategic Goal and Objective

Strategic Goal/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	
Percent of compensation recipients who perceive that VA compensation redresses the effect of service-connected disability in diminishing the quality of life (Comp)	N/A	N/A	N/A	TBD **	TBD **	TBD **	70%
National accuracy rate (fiduciary work) % (Compensation & Pension)	84%	77%	81%	85%	90%	92%	98%
Telephone activities - abandoned call rate % (Compensation & Pension)	9%	9%	7%	8%	7%	6%	3%
Telephone activities - blocked call rate % (Compensation & Pension)	7%	3%	2%	3%	2%	2%	2%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (percent completed outside of 45 days) (Compensation & Pension)	9%	11%	12%	11%	8%	5%	4%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (percent pending over 120 days) (Compensation & Pension)	16%	20%	14%	12%	12%	7%	4%
Productivity Index (Compensation and Pension) (new)	N/A	N/A	N/A	N/A	92%	96%	100%
Deficiency-free decision rate (BVA)	87.6%	89.0%	93.0%	89.0%	92.0%	92.0%	95.0%
Appeals resolution time (Days) (Joint measure with VBA) (BVA)	731	633	529	622	600	600	365
BVA Cycle Time (Days)	86	135	98	104	105	105	104
Appeals decided per Veterans Law Judge (BVA)	321	604	691	621	625	630	732
Cost per case (BVA)	\$2,702	\$1,493	\$1,302	\$1,453	\$1,552	\$1,580	\$1,443

** Pending results of the Veterans' Disability Benefits Commission that began in May 2005 and will conclude its work in October 2007.

Objective 1.3: Provide all service-disabled veterans with the opportunity to become employable and obtain and maintain suitable employment, while providing special support to veterans with serious employment handicaps.

Rehabilitation rate % (VR&E)	62%	59%	62%	63%	69%	69%	70%
Serious Employment Handicap (SEH) Rehabilitation Rate % (VR&E) ***	62%	58%	N/A	N/A	65%	65%	66%
Speed of entitlement decisions in average days (VR&E)	65	63	57	62	58	56	60
Accuracy of decisions (Services) % (VR&E)	81%	82%	86%	87%	90%	90%	96%
Customer satisfaction (Survey) % (VR&E)	77%	N/A **	79%	Available 2006	82%	82%	92%
Accuracy of Vocational Rehabilitation program completion decisions % (VR&E)	81%	81%	94%	97%	96%	96%	95%

Performance Measures by Strategic Goal and Objective

Strategic Goal/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	

Common Measures ****							
Percent of participants employed first quarter after program exit (VR&E)	N/A	N/A	N/A	N/A	TBD	64%	TBD
Percent of participants still employed three quarters after program exit (VR&E)	N/A	N/A	N/A	N/A	TBD	70%	TBD
Percent change in earnings from pre-application to post-program employment (VR&E)	N/A	N/A	N/A	N/A	TBD	TBD	TBD
Average cost of placing participant in employment (VR&E)	N/A	N/A	N/A	N/A	TBD	\$8,000	TBD

** VR&E did not perform a customer satisfaction survey in 2003. The scores for the 2005 survey are projected to be released in March 2006.

*** VR&E identified a potential weakness in the program because it had only one outcome measure. Therefore, the SEH Rehab. Rate measure was reinstituted. This measure had been used until 2004.

**** These Common Measures are in support of the President's Management Agenda to integrate budget and performance. Targets for these measures are being developed.

Objective 1.4: Improve the standard of living and income status of eligible survivors of service-disabled veterans through compensation, education, and insurance benefits.

Average days to process - DIC actions (Compensation)	172	153	125	124	120	119	90
Percent of DIC recipients above the poverty level (Comp)	N/A	N/A	99%	TBD **	TBD **	TBD **	100%
Percent of DIC recipients who are satisfied that the VA recognized their sacrifice (Comp)	N/A	N/A	80%	TBD **	TBD **	TBD **	90%

** Pending results of the Veterans' Disability Benefits Commission that began work in May 2005 and will conclude its work in October 2007.

Strategic Goal 2: Ensure a smooth transition for veterans from active military service to civilian life.

Objective 2.1: Ease the reentry of new veterans into civilian life by increasing awareness of, access to, and use of VA health care, benefits, and services.

Percent of veterans returning from a combat zone who respond "yes completely" to survey questions regarding how well they perceive that their VA provider listened to them and if they had trust and confidence in their VA provider	N/A	N/A	N/A	N/A	Baseline	68%	72%
Percent of appointments for primary care scheduled within 30 days of desired date for veterans and service members returning from a combat zone	N/A	N/A	N/A	N/A	Baseline	90%	94%
Out of all original claims filed within the first year of release from active duty, the percentage filed at a BDD site prior to a service member's discharge	N/A	N/A	N/A	Available 2006	53%	57%	65%

Performance Measures by Strategic Goal and Objective

Strategic Goal/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	
Number of implementation guides developed for those Consolidated Health Informatics Standards adopted by VA and DoD	N/A	N/A	N/A	2	3	4	9
Number of inpatient admissions and outpatient visits at Joint Ventures and significant sites. (Facilities providing 500 or more outpatient visits and/or admissions per year).	N/A	N/A	N/A	N/A	Baseline	TBD	TBD

Objective 2.2: Provide timely and accurate decisions on education claims and continue payments at appropriate levels to enhance veterans' and servicemembers' ability to achieve educational and career goals.

Average days to complete original education claims	34	23	26	33	27	25	10
Average days to complete supplemental education claims	16	12	13	19	13	12	7
Montgomery GI Bill usage rate (%): All program participants (Education) (1) Corrected	56%	58%	(1) 65%	66%*	67%	68%	75%
Montgomery GI Bill usage rate (%): Veterans who have passed their 10-year eligibility period (Education) (1) Corrected	N/A	66%	(1) 71%	71%*	72%	72%	80%
Percent of Montgomery GI Bill participants who successfully completed an education or training program (1) Measure under development	N/A	N/A	N/A	(1) N/A	TBD	TBD	TBD
Percentage of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal (1) Measure under development	N/A	N/A	N/A	(1) N/A	TBD	TBD	TBD
Customer satisfaction-high rating (Education) %	87%	89%	86%	Available 2006	87%	88%	95%
Telephone Activities - Blocked call rate (Education) %	26%	13%	20%	38%	29%	20%	10%
Telephone Activities - Abandoned call rate (Education) %	11%	7%	10%	17%	13%	10%	5%
Payment accuracy rate (Education) %	93%	94%	94%	96%	95%	95%	97%

* Data are estimated.

Objective 2.3: Improve the ability of veterans to purchase and retain a home by meeting or exceeding lending industry standards for quality, timeliness, and foreclosure avoidance.

Foreclosure avoidance through servicing (FATS) ratio % (Housing)	43%	45%	44%	48%	47%	47%	47%
Statistical quality index % (Housing)	97%	98%	98%	98%	97%	98%	98%

Performance Measures by Strategic Goal and Objective

Strategic Goal/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	
Veterans satisfaction level % (Housing) (1) No Housing survey was completed in 2004 and 2005.	94%	95%	(1) N/A	(1) N/A	96%	97%	95%
Percent of active duty personnel and veterans who could not have purchased a home without VA assistance (Housing) (Measure under development)	N/A	N/A	N/A	N/A	TBD	TBD	TBD

Strategic Goal 3: Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.

Objective 3.1: Provide high-quality, reliable, accessible, timely, and efficient health care that maximizes the health and functional status for all enrolled veterans, with special focus on veterans with service-connected conditions, those unable to defray the cost, and those statutorily eligible for care.

Percent of patients rating VA health care service as very good or excellent: Inpatient Outpatient							
	70%	74%	74%	77%	74%	74%	74%
	71%	73%	72%	77%	73%	73%	73%
Percent of primary care appointments scheduled within 30 days of desired date	89%	93%	94%	96%	96%	96%	94%
Percent of specialty care appointments scheduled within 30 days of desired date	86%	89%	93%	93%	93%	93%	93%
Percent of appointments scheduled within 30 days of desired appointment date	N/A	N/A	N/A	93.7%	TBD	TBD	TBD
Clinical Practice Guidelines Index	Baseline	70%	77%	87%	77%	78%	80%
Prevention Index II	82%	83%	88%	90%	88%	88%	88%
Increase non-institutional long-term care as expressed by average daily census	24,126	24,413	25,523	27,469	32,105	36,722	49,486
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities	65%	67%	69%	73%	68%	70%	90%
Percent of outpatient encounters that have electronic progress notes signed within 2 days	N/A	N/A	84%	85%	86%	87%	87%
Percent of admission notes by residents that have a note from attending physician within one day of admission:							
Medicine	N/A	N/A	N/A	95%	85%	88%	95%
Psychiatry	N/A	N/A	N/A	95%	85%	88%	95%
Surgery	N/A	N/A	N/A	75%	85%	88%	95%

Objective 3.2: Process pension claims in a timely and accurate manner to provide eligible veterans and their survivors a level of income that raises their standard of living and sense of dignity.

Non-rating pension actions - average days to process	65	67	58	68	66	65	60
National accuracy rate (authorization pension work) (%)	76%	81%	84%	86%	88%	89%	98%
Compensation & Pension rating-related actions - average days to process	223	182	166	167	185	182	125

Performance Measures by Strategic Goal and Objective

Strategic Goal/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	
National accuracy rate (core rating-related pension work) %	80%	91%	93%	90%	93%	95%	98%
Rating-related pension actions - average days pending	100	98	77	83	69	67	65
Overall satisfaction rate % (Pension)	65%	66%	66%	Available 2006	66%	71%	90%
Non-rating pension actions - average days pending	90	61	102	111	73	77	50
Percent of pension recipients who were informed of the full range of available benefits	38%	39%	40%	Available 2006	40%	43%	60%
Percent of pension recipients who said their claim determination was very or somewhat fair	65%	62%	64%	Available 2006	65%	68%	75%
** Percent of VA beneficiaries receiving financial assistance for medical expenses	N/A	N/A	N/A	N/A	TBD	TBD	TBD
** Percent of pension recipients who believe that the processing of their claim reflects the courtesy, compassion, and respect due to a veteran	N/A	N/A	N/A	N/A	TBD	TBD	TBD
National accuracy rate (fiduciary work) (%) (Compensation & Pension)	84%	77%	81%	85%	90%	92%	98%
Telephone activities - abandoned call rate (Compensation & Pension)	9%	9%	7%	8%	7%	6%	3%
Telephone activities - blocked call rate (Compensation & Pension)	7%	3%	2%	3%	2%	2%	2%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary exams (percent completed outside of 45 days) (Compensation & Pension)	9%	11%	12%	11%	8%	5%	4%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary exams (percent pending over 120 days) (Compensation & Pension)	16%	20%	14%	12%	12%	7%	4%
Productivity Index (Compensation and Pension) (new)	N/A	N/A	N/A	N/A	92%	96%	100%

** New measures added during Pensions PART review. Targets for 2007 are pending based on receipt of data and research from customer satisfaction surveys.

Objective 3.3: Maintain a high level of service to insurance policy holders and their beneficiaries to enhance the financial security for veterans' families.

Average number of days to process insurance disbursements (Insurance)	2.6	2.4	1.8	1.8	2.7	2.7	2.7
Rate of high veterans' satisfaction ratings on services delivered % (Insurance)	95%	95%	96%	96%	95%	95%	95%
Rate of low veterans' satisfaction ratings on services delivered % (Insurance)	3%	3%	2%	2%	2%	2%	2%
Toll-free telephone blockage (busy signals) rate % (Insurance)	1%	0%	1%	0%	2%	2%	1%

Performance Measures by Strategic Goal and Objective

Strategic Goal/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	
Average caller hold time (caller wait time) in seconds (Insurance)	18	17	17	11	20	20	20
Percent of servicemembers covered by SGLI (Insurance)	N/A	N/A	N/A	98%	98%	98%	98%
Conversion rate of disabled SGLI members to VGLI (Insurance)	N/A	N/A	N/A	35%	53%	55%	65%
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average service member (Insurance)	N/A	N/A	N/A	1.6	1.6	1.5	1.0
Ratio of SGLI premium rates charged per \$1,000 compared to the premium rates charged by other organizations per \$1,000 for similar coverage (Insurance)	N/A	N/A	N/A	1.4	1.0	1.0	1.0
Ratio of VGLI premium rates charged per \$1,000 compared to the premium rates charged by other organizations per \$1,000 for similar coverage (Insurance)	N/A	N/A	N/A	0.9	1.0	1.0	1.0
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average officer (Insurance)	N/A	N/A	N/A	1.6	1.5	1.0	1.0
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average enlisted service member (Insurance)	N/A	N/A	N/A	1.9	1.8	1.7	1.0
Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)	N/A	N/A	N/A	1,692	1,684	1,702	TBD

Objective 3.4: Ensure that the burial needs of veterans and eligible family members are met.

Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence	73.9%	75.2%	75.3%	77.1%	81.6%	83.8%	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	91%	94%	94%	94%	96%	97%	100%
Average number of days to process a claim for reimbursement of burial expenses	48	42	48	57	48	46	21
National Accuracy Rate for burial claims processed %	85%	92%	94%	93%	94%	95%	98%
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours	73%	73%	73%	73%	76%	80%	93%
Cumulative number of kiosks installed at national and state veterans cemeteries	42	50	60	69	76	84	108

Performance Measures by Strategic Goal and Objective

Strategic Goal/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	

Objective 3.5: Provide veterans and their families with timely and accurate symbolic expressions of remembrance.

Percent of graves in national cemeteries marked within 60 days of interment	49%	72%	87%	94%	90%	90%	90%
Percent of applications for headstones and markers for the graves of veterans who are not buried in national cemeteries processed within 20 days	N/A	N/A	N/A	13%	70%	80%	90%
Percent of headstones and markers ordered by national cemeteries for which inscription data are accurate and complete	N/A	N/A	98%	99%	99%	99%	99%
Percent of headstones and markers that are undamaged and correctly inscribed	96%	97%	97%	96%	97%	98%	98%

Strategic Goal 4: Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation.

Objective 4.1: Improve the Nation's preparedness for response to war, terrorism, national emergencies, and natural disasters by developing plans and taking actions to ensure continued service to veterans as well as support to national, state, and local emergency management and homeland security efforts.

Percent of Emergency Planners who have completed orientation (OPPP)	N/A	N/A	N/A	100%	100%	100%	100%
Percent of Under Secretaries, Assistant Secretaries, and Other Key Officials who self-certify their teams "ready to deploy" to their COOP site (OPPP)	N/A	N/A	N/A	85%	100%	100%	100%

Objective 4.2: Advance VA medical research and development programs that address veterans' needs, with an emphasis on service-connected injuries and illnesses, and contribute to the Nation's knowledge of disease and disability.

Number of peer-reviewed publications authored by VA investigators within the fiscal year	N/A	N/A	2,557	2,793	2,655	2,623	3,000
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD). (Five milestones to be achieved over 5 years)	N/A	N/A	33%	40%	60%	67%	100%
Progress towards development of a standard clinical practice for pressure ulcers. (Six milestones to be achieved over 6 years)	N/A	N/A	43%	52%	65%	70%	100%

Performance Measures by Strategic Goal and Objective

Strategic Goal/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	

Objective 4.3: Sustain partnerships with the academic community that enhance the quality of care to veterans and provide high-quality educational experiences for health care trainees.

Medical residents and other trainees' scores on a VHA Survey assessing their clinical training experience	83	83	84	84	85	85	85
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Objective 4.4: Enhance the socioeconomic well-being of veterans, and thereby the Nation and local communities, through veterans' benefits; assistance programs for small, disadvantaged, and veteran-owned businesses; and other community initiatives.

Attainment of statutory minimum goals for service-disabled veteran-owned small businesses expressed as a percent of total procurement (OSDBU)	0.61%	0.49%	1.25%	2.09%	3.00%	3.00%	3.00%
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Objective 4.5: Ensure that national cemeteries are maintained as shrines dedicated to preserving our Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made.

Percent of respondents who rate national cemetery appearance as excellent	97%	97%	98%	98%	99%	99%	100%
Percent of respondents who would recommend the national cemetery to veteran families during their time of need	98%	97%	97%	98%	99%	99%	100%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	N/A	N/A	64%	70%	72%	74%	90%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	N/A	N/A	76%	72%	74%	77%	90%
Percent of gravesites that have grades that are level and blend with adjacent grade levels	N/A	N/A	79%	84%	84%	85%	95%

Enabling Goal: Deliver world-class service to veterans and their families by applying sound business principles that result in effective management of people, communications, technology, and governance.

Objective E-1: Recruit, develop, and retain a competent, committed, and diverse workforce that provides high-quality service to veterans and their families.

Percentage of VA employees who are veterans (HR&A)	N/A	24%	26%	28%	30%	32%	36%
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Performance Measures by Strategic Goal and Objective

Strategic Goal/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	

Objective E-2: Improve communications with veterans, employees, and stakeholders about the Department's mission, goals, and current performance as well as the benefits and services VA provides.

Percentage of statutory reports that are submitted to Congress within the required timeframes (OCLA)	59% w/i 45 days	70% w/i 30 days	54% w/i 15 days	21% by due date	35% by due date	45% by due date	100%
Percent of newly elected/appointed state officials briefed within 60 days of taking office regarding VA programs and services (OPIA)	75%	80%	90%	100%	100%	100%	100%

Objective E-3: Implement a *One VA* information technology framework that supports the integration of information across business lines and that provides a source of consistent, reliable, accurate, and secure information to veterans and their families, employees, and stakeholders.

Number of distinct data exchanges between VA and DoD (OI&T) *DMDC - Defense Manpower Data Center	N/A	N/A	N/A	N/A	20 from *DMDC to VA; 10 from VA to DMDC	15 from *DMDC to VA; 5 from VA to DMDC	1 from *DMDC to VA; 1 from VA to DMDC
Number of business lines that are able to access a One VA Enterprise Data Service (OI&T)	N/A	N/A	N/A	N/A	1	3	8

Objective E-4: Improve the overall governance and performance of VA by applying sound business principles; ensuring accountability; enhancing our management of resources through improved capital asset management, acquisition, and competitive sourcing; and linking strategic planning, budgeting, and performance planning.

Percent of cases using alternate dispute resolution (ADR) techniques (BCA) (1) Corrected	(1) 43%	(1) 20%	(1) 9%	(1) 6%	15%	20%	25%
Gross Days Revenue Outstanding (GDRO) for third party collections	N/A	N/A	N/A	Baseline	70	67	60
Dollar value of 1st party and 3rd party collections:							
1st Party (\$ in millions)	\$486	\$685	\$742	\$772	\$827	\$934	\$1,019
3rd Party (\$ in millions)	\$690	\$804	\$960	\$1,056	\$1,178	\$1,304	\$1,695
Documented increases in the use of joint procurement contracts	N/A	N/A	N/A	Baseline	\$150M	\$160M	\$200M
Obligations per unique patient user (VHA) (1) Corrected	\$4,928	\$5,202	\$5,493	(1) \$5,597	\$5,880	\$6,606	TBD
Average number of appointments per year per FTE (VHA) (1) Corrected	2,719	2,856	(1) 2,356	2,533	2,678	2,781	TBD
Study subject accrual rate for multi-site clinical trials	N/A	N/A	N/A	29%	32%	34%	50%
Percentage of tort claims settled administratively (OGC)	86.0%	86.0%	89.0%	88.4%	89.0%	90.0%	90.0%

Performance Measures by Strategic Goal and Objective

Strategic Goal/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	
Cumulative % of FTEs (compared to total planned) covered by initiated Management Analysis/Business Process Reengineering studies of non-core commercial functions (OPPP)	N/A	N/A	N/A	N/A	33%	53%	100%
Number of audit qualifications identified in the auditor's opinion on VA's Consolidated Financial Statements (OM)	0	0	0	0	0	0	0
Number of material weaknesses identified during the annual financial statement audit or identified by management (OM)	6	5	4	4	4	4	0
Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM)	N/A	N/A	80% Baseline	98%	95%	95%	95%
Percent Condition Index (owned buildings) (OAEM)	N/A	N/A	N/A	82% Baseline	83%	84%	87%
Ratio of non-mission dependent assets to total assets (OAEM)	N/A	N/A	N/A	22% Baseline	19%	16%	10%
Ratio of operating costs per gross square foot (GSF) (OAEM)	N/A	N/A	\$21 Baseline	\$22	\$24	\$25	\$29
Cumulative percentage decrease in facility traditional energy consumption per gross square foot from the 2003 baseline (OAEM)	N/A	Baseline	N/A	N/A	2%	4%	20%
Number of arrests, indictments, convictions, administrative sanctions, and pretrial diversions relating to:	N/A	N/A	N/A	N/A	N/A	1,924	2,204
VA health care delivery	N/A	N/A	N/A	N/A	N/A	695	793
VA benefits processing	N/A	N/A	N/A	N/A	N/A	1,121	1,279
VA financial management	N/A	N/A	N/A	N/A	N/A	18	22
VA procurement practices	N/A	N/A	N/A	N/A	N/A	72	88
VA information management	N/A	N/A	N/A	N/A	N/A	18	22
Percentage of successful prosecutions	N/A	N/A	N/A	N/A	N/A	85%	87%
Number of reports issued that identify opportunities for improvement and provide recommendations for corrective action in:	N/A	N/A	N/A	N/A	N/A	140	160
VA health care delivery	N/A	N/A	N/A	N/A	N/A	49	57
VA benefits processing	N/A	N/A	N/A	N/A	N/A	14	17
VA financial management	N/A	N/A	N/A	N/A	N/A	6	7
VA procurement practices	N/A	N/A	N/A	N/A	N/A	68	75
VA information management	N/A	N/A	N/A	N/A	N/A	3	4
Number of CAP reports issued that include relevant health care delivery and benefits processing pulse points	N/A	N/A	N/A	N/A	N/A	61	76
Monetary benefits from review of: ¹ (dollars in millions)	N/A	N/A	N/A	N/A	N/A	\$914	\$1,033
VA health care delivery	N/A	N/A	N/A	N/A	N/A	\$278	\$310
VA benefits processing	N/A	N/A	N/A	N/A	N/A	\$137	\$145
VA financial management	N/A	N/A	N/A	N/A	N/A	\$9	\$10
VA procurement practices	N/A	N/A	N/A	N/A	N/A	\$490	\$568

Performance Measures by Strategic Goal and Objective

Strategic Goal/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	
Number of international benefit reviews conducted to determine the appropriateness of benefits processing for claimants living outside the 50 states	N/A	N/A	N/A	N/A	N/A	1	3
Maintain unqualified audit opinion of financial statements containing no material weaknesses or reportable conditions (Yes/No)	N/A	N/A	N/A	N/A	N/A	Yes	Yes
Percentage of recommendations implemented to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural change in VA	N/A	N/A	N/A	N/A	N/A	82%	90% ²
Percentage of preaward recommendations sustained during contract negotiations	N/A	N/A	N/A	N/A	N/A	61%	65%
Achieve adoption of recommendations relative to IT systems in compliance with FISMA, regulations, and policies within one year from issuance of a report	N/A	N/A	N/A	N/A	N/A	90%	100%
Achieve a professional, competent, and credible reputation as a result of work performed (based on a scale of 0 to 5, where 5 is high):							
Investigations	N/A	N/A	N/A	N/A	N/A	5.0	5.0
Audit	N/A	N/A	N/A	N/A	N/A	4.8	5.0
Healthcare Inspections	N/A	N/A	N/A	N/A	N/A	4.6	5.0
CAP	N/A	N/A	N/A	N/A	N/A	4.7	5.0

1 Benefits related to IT are associated with the appropriate program areas.

2 VA OIG intends that VA will implement all recommendations. This goal recognizes that some complex implementation actions may go beyond 2010, which is the out-year for OIG's Strategic Plan.

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006 (Final)	2007 (Initial)	
Veterans Health Administration							
	P&F ID Codes:		36-0152-0-1-703				
	36-0162-0-1-703		36-0181-0-1-703		36-0160-0-1-703;		
	36-4014-0-3-705;		36-8180-0-7-705;		36-5358-0-1-703		
Medical Care Programs							
Resources							
FTE	183,712	186,553	194,272	197,650	197,650	198,302	
Total Program Costs (\$ in millions)	\$24,368	\$27,654	\$30,772	\$31,668	\$34,299	\$39,283	
Performance Measures							
Percent of patients rating VA health care service as very good or excellent:							
Inpatient	70%	74%	74%	77%	74%	74%	74%
Outpatient	71%	73%	72%	77%	73%	73%	73%
Percent of primary care appointments scheduled within 30 days of desired date	89%	93%	94%	96%	96%	96%	94%
Percent of specialty care appointments scheduled within 30 days of desired date	86%	89%	93%	93%	93%	93%	93%
Percent of appointments scheduled within 30 days of desired appointment date	N/A	N/A	N/A	93.7%	TBD	TBD	TBD
Clinical Practice Guidelines Index	Baseline	70%	77%	87%	77%	78%	80%
Prevention Index II	82%	83%	88%	90%	88%	88%	88%
Dollar value of 1st party and 3rd party collections:							
1st Party (\$ in millions)	\$486	\$685	\$742	\$772	\$827	\$934	\$1,019
3rd Party (\$ in millions)	\$690	\$804	\$960	\$1,056	\$1,178	\$1,304	\$1,695
Gross Days Revenue Outstanding (GDRO) for third party collections	N/A	N/A	N/A	Baseline	70	67	60
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities	65%	67%	69%	73%	68%	70%	90%
Percent of veterans returning from a combat zone who respond "yes completely" to survey questions regarding how well they perceive that their VA provider listened to them and if they had trust and confidence in their VA provider	N/A	N/A	N/A	N/A	Baseline	68%	72%
Percent of outpatient encounters that have electronic progress notes signed within 2 days	N/A	N/A	84%	85%	86%	87%	87%
Documented increases in the use of joint procurement contracts	N/A	N/A	N/A	Baseline	\$150M	\$160M	\$200M

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	
Number of implementation guides developed for those Consolidated Health Informatics Standards adopted by VA and DoD	N/A	N/A	N/A	2	3	4	9
Number of inpatient admissions and outpatient visits at Joint Ventures and significant sites. (Facilities providing 500 or more outpatient visits and/or admissions per year).	N/A	N/A	N/A	N/A	Baseline	TBD	TBD
<i>Common Measures</i>							
Obligations per unique patient user (VHA) (1) Corrected	\$4,928	\$5,202	\$5,493	(1) \$5,597	\$5,880	\$6,606	TBD
Average number of appointments per year per FTE (VHA) (1) Corrected	2,719	2,856	(1) 2,356	2,533	2,678	2,781	TBD
<i>Special Emphasis Programs</i>							
Increase non-institutional long-term care as expressed by average daily census	24,126	24,413	25,523	27,469	32,105	36,722	49,486
Prevention Index II (Special Populations)	N/A	80%	86%	87%	86%	86%	86%
Percent of veterans who were discharged from a Domiciliary Care for Homeless Veterans (DCHV) Program or Community-based Contract Residential Care (HCHV) Program to an independent or a secured institutional living arrangement	65%	72%	79%	83%	80%	80%	80%
Percent of appointments for specialty health care services scheduled within 30 days of desired date for veterans and service members returning from a combat zone with an injury or illness	N/A	N/A	N/A	N/A	Baseline	86%	90%
Percent of appointments for primary care scheduled within 30 days of desired date for veterans and service members returning from a combat zone	N/A	N/A	N/A	N/A	Baseline	90%	94%
Medical residents and other trainees' scores on a VHA Survey assessing their clinical training experience	83	83	84	84	85	85	85
Percent of admission notes by residents that have a note from attending physician within one day of admission:							
Medicine	N/A	N/A	N/A	95%	85%	88%	95%
Psychiatry	N/A	N/A	N/A	95%	85%	88%	95%
Surgery	N/A	N/A	N/A	75%	85%	88%	95%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	

P&F ID Codes: 36-0161-0-1-703; 36-0160-0-1-703;
36-4026-0-3-703

Medical Research

Resources							
FTE	3,096	3,217	3,234	3,206	3,125	2,839	
Total Program Costs (\$ in millions)	\$964	\$1,022	\$1,067	\$851	\$1,029	\$820	
Performance Measures							
Number of peer-reviewed publications authored by VA investigators within the fiscal year	N/A	N/A	2,557	2,793	2,655	2,623	3,000
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD). (Five milestones to be achieved over 5 years)	N/A	N/A	33%	40%	60%	67%	100%
Progress towards development of a standard clinical practice for pressure ulcers. (Six milestones to be achieved over 6 years)	N/A	N/A	43%	52%	65%	70%	100%
Study subject accrual rate for multi-site clinical trials	N/A	N/A	N/A	29%	32%	34%	50%

Veterans Benefits Administration

Compensation

P&F ID Codes: 36-0102-0-1-701 36-0151-0-1-705

Resources							
FTE	7,164	7,525	7,568	7,538	7,989	7,890	
Total Program Costs (\$ in millions)	\$23,056	\$25,550	\$27,261	\$29,601	\$32,520	\$35,376	
Performance Measures							
National accuracy rate (core rating work) % (Compensation)	80%	86%	87%	84%	87%	88%	98%
Compensation & Pension rating-related actions - average days to process	223	182	166	167	185	182	125
Rating-related compensation actions - average days pending	179	114	120	122	150	141	78
Average days to process - DIC actions (Compensation)	172	153	125	124	120	119	90
Overall satisfaction % (Compensation)	55%	58%	59%	Available 2006	58%	63%	90%
Non-rating compensation actions - average days to process	57	49	50	59	58	57	40
Non-rating compensation actions - average days pending	93	95	94	98	95	91	60

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	
National accuracy rate (compensation authorization work)	83%	88%	90%	90%	93%	95%	98%
Out of all original claims filed within the first year of release from active duty, the percentage filed at a BDD site prior to a service member's discharge	N/A	N/A	N/A	Available 2006	53%	57%	65%
Average number of days to initiate development of remands at the Appeals Management Center	N/A	N/A	N/A	28	16	15	15
Percent of veterans in receipt of compensation whose total income exceeds that of like circumstanced veterans (Comp)	N/A	N/A	N/A	TBD **	TBD **	TBD **	50%
Percent of compensation recipients who were kept informed of the full range of available benefits (Comp)	40%	42%	43%	Available 2006	45%	49%	60%
Percent of compensation recipients who perceive that VA compensation redresses the effect of service-connected disability in diminishing the quality of life (Comp)	N/A	N/A	N/A	TBD **	TBD **	TBD **	70%
Percent of DIC recipients above the poverty level (Comp)	N/A	N/A	99%	TBD **	TBD **	TBD **	100%
Percent of DIC recipients who are satisfied that the VA recognized their sacrifice (Comp)	N/A	N/A	80%	TBD **	TBD **	TBD **	90%
Productivity Index (Compensation and Pension) (new)	N/A	N/A	N/A	N/A	92%	96%	100%
National accuracy rate (fiduciary work) % (Compensation & Pension)	84%	77%	81%	85%	90%	92%	98%
Telephone activities - abandoned call rate % (Compensation & Pension)	9%	9%	7%	8%	7%	6%	3%
Telephone activities - blocked call rate % (Compensation & Pension)	7%	3%	2%	3%	2%	2%	2%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (percent completed outside of 45 days) (Compensation & Pension)	9%	11%	12%	11%	8%	5%	4%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (percent pending over 120 days) (Compensation & Pension)	16%	20%	14%	12%	12%	7%	4%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	
Average number of days to process a claim for reimbursement of burial expenses	48	42	48	57	48	46	21
National Accuracy Rate for burial claims processed %	85%	92%	94%	93%	94%	95%	98%
** Pending results of the Veterans' Disability Benefits Commission that began work in May 2005 and will conclude its work in October 2007.							

<i>Pension</i>	P&F ID Codes:				36-0151-0-1-705	36-0200-0-1-701	
Resources							
FTE	1,791	1,827	1,535	1,540	1,442	1,555	
Total Program Costs (\$ in millions)	\$3,328	\$3,378	\$3,495	\$3,569	\$3,632	\$3,720	
Performance Measures							
Non-rating pension actions - average days to process	65	67	58	68	66	65	60
National accuracy rate (authorization pension work) (%)	76%	81%	84%	86%	88%	89%	98%
Compensation & Pension rating-related actions - average days to process	223	182	166	167	185	182	125
National accuracy rate (core rating-related pension work) %	80%	91%	93%	90%	93%	95%	98%
Rating-related pension actions - average days pending	100	98	77	83	69	67	65
Overall satisfaction rate % (Pension)	65%	66%	66%	Available 2006	66%	71%	90%
Non-rating pension actions - average days pending	90	61	102	111	73	77	50
Percent of pension recipients who were informed of the full range of available benefits	38%	39%	40%	Available 2006	40%	43%	60%
Percent of pension recipients who said their claim determination was very or somewhat fair	65%	62%	64%	Available 2006	65%	68%	75%
** Percent of VA beneficiaries receiving financial assistance for medical expenses	N/A	N/A	N/A	N/A	TBD	TBD	TBD
** Percent of pension recipients who believe that the processing of their claim reflects the courtesy, compassion, and respect due to a veteran	N/A	N/A	N/A	N/A	TBD	TBD	TBD
Productivity Index (Compensation and Pension) (new)	N/A	N/A	N/A	N/A	92%	96%	100%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	
National accuracy rate (fiduciary work) (%) (Compensation & Pension)	84%	77%	81%	85%	90%	92%	98%
Telephone activities - abandoned call rate (Compensation & Pension)	9%	9%	7%	8%	7%	6%	3%
Telephone activities - blocked call rate (Compensation & Pension)	7%	3%	2%	3%	2%	2%	2%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary exams (percent completed outside of 45 days) (Compensation & Pension)	9%	11%	12%	11%	8%	5%	4%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary exams (percent pending over 120 days) (Compensation & Pension)	16%	20%	14%	12%	12%	7%	4%

** New measures added during Pensions PART review. Targets for 2007 are pending based on receipt of data and research from customer satisfaction surveys.

P&F ID Codes:

36-0137-0-1-702;
36-0151-0-1-705

36-8133-0-7-702;

<i>Education</i>							
Resources							
FTE	864	866	841	852	884	930	
Total Program Costs (\$ in millions)	\$1,831	\$2,189	\$2,495	\$2,690	\$3,181	\$3,392	
Performance Measures							
Average days to complete original education claims	34	23	26	33	27	25	10
Average days to complete supplemental education claims	16	12	13	19	13	12	7
Montgomery GI Bill usage rate (%): All program participants (Education) (1) Corrected	56%	58%	(1) 65%	66%*	67%	68%	75%
Montgomery GI Bill usage rate (%): Veterans who have passed their 10-year eligibility period (Education) (1) Corrected	N/A	66%	(1) 71%	71%*	72%	72%	80%
Percent of Montgomery GI Bill participants who successfully completed an education or training program (1) Measure under development	N/A	N/A	N/A	(1) N/A	TBD	TBD	TBD
Percentage of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal (1) Measure under development	N/A	N/A	N/A	(1) N/A	TBD	TBD	TBD
Customer satisfaction-high rating (Education) %	87%	89%	86%	Available 2006	87%	88%	95%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	
Telephone Activities - Blocked call rate (Education) %	26%	13%	20%	38%	29%	20%	10%
Telephone Activities - Abandoned call rate (Education) %	11%	7%	10%	17%	13%	10%	5%
Payment accuracy rate (Education) %	93%	94%	94%	96%	95%	95%	97%
* Data are estimated.							

Vocational Rehabilitation and Employment

P&F ID Codes: 36-0136-2-1-702; 36-0140-0-1-702
36-0151-0-1-705

Resources							
FTE	1,057	1,091	1,105	1,112	1,120	1,250	
Total Program Costs (\$ in millions)	\$606	\$631	\$676	\$741	\$809	\$816	
Performance Measures							
Rehabilitation rate % (VR&E)	62%	59%	62%	63%	69%	69%	70%
Speed of entitlement decisions in average days (VR&E)	65	63	57	62	58	56	60
Accuracy of decisions (Services) % (VR&E)	81%	82%	86%	87%	90%	90%	96%
Customer satisfaction (Survey) % (VR&E)	77%	N/A **	79%	Available 2006	82%	82%	92%
Accuracy of Vocational Rehabilitation program completion decisions % (VR&E)	81%	81%	94%	97%	96%	96%	95%
Serious Employment Handicap (SEH) Rehabilitation Rate % (VR&E) ***	62%	58%	N/A	N/A	65%	65%	66%
Common Measures ****							
Percent of participants employed first quarter after program exit (VR&E)	N/A	N/A	N/A	N/A	TBD	64%	TBD
Percent of participants still employed three quarters after program exit (VR&E)	N/A	N/A	N/A	N/A	TBD	70%	TBD
Percent change in earnings from pre-application to post-program employment (VR&E)	N/A	N/A	N/A	N/A	TBD	TBD	TBD
Average cost of placing participant in employment (VR&E)	N/A	N/A	N/A	N/A	TBD	\$8,000	TBD

** VR&E did not perform a customer satisfaction survey in 2003. The scores for the 2005 survey are projected to be released in March 2006.

*** VR&E identified a potential weakness in the program because it had only one outcome measure. Therefore, the SEH Rehab. Rate measure was reinstituted. This measure had been used until 2004.

**** These Common Measures are in support of the President's Management Agenda to integrate budget and performance. Targets for these measures are being developed.

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	

Housing

P&F ID Codes: 36-1119-0-1-704; 36-4025-0-3-704
 36-0128-0-1-704; 36-4127-0-3-704 36-4129-0-3-704
 36-4130-0-3-704 36-0151-0-1-705

Resources							
FTE	1,718	1,404	1,256	1,052	993	976	
Total Program Costs (\$ in millions)	\$1,017	\$1,520	\$393	\$2,068	\$258	\$346	
Performance Measures							
Foreclosure avoidance through servicing (FATS) ratio % (Housing)	43%	45%	44%	48%	47%	47%	47%
Veterans satisfaction level % (Housing) (*1) No Housing survey was completed in 2004 and 2005.	94%	95%	(1) N/A	(1) N/A	96%	97%	95%
Statistical quality index % (Housing)	97%	98%	98%	98%	97%	98%	98%
Percent of active duty personnel and veterans who could not have purchased a home without VA assistance (Housing) (Measure under development)	N/A	N/A	N/A	N/A	TBD	TBD	TBD

Insurance

P&F ID Codes: 36-0120-0-1-701; 36-4012-0-3-701;
 36-4010-0-3-701; 36-4009-0-3-701; 36-8132-0-7-701;
 36-8150-0-7-701; 36-8455-0-8-701; 36-0151-0-1-705

Resources							
FTE	479	493	490	488	503	503	
Total Program Costs (\$ in millions)	\$2,749	\$2,695	\$2,581	\$2,580	\$3,514	\$2,795	
Performance Measures							
Average number of days to process insurance disbursements (Insurance)	2.6	2.4	1.8	1.8	2.7	2.7	2.7
Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)	N/A	N/A	N/A	1,692	1,684	1,702	TBD
Percent of servicemembers covered by SGLI (Insurance)	N/A	N/A	N/A	98%	98%	98%	98%
Conversion rate of disabled SGLI members to VGLI (Insurance)	N/A	N/A	N/A	35%	53%	55%	65%
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average service member (Insurance)	N/A	N/A	N/A	1.6	1.6	1.5	1.0

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	
Ratio of SGLI premium rates charged per \$1,000 compared to the premium rates charged by other organizations per \$1,000 for similar coverage (Insurance)	N/A	N/A	N/A	1.4	1.0	1.0	1.0
Ratio of VGLI premium rates charged per \$1,000 compared to the premium rates charged by other organizations per \$1,000 for similar coverage (Insurance)	N/A	N/A	N/A	0.9	1.0	1.0	1.0
Rate of high veterans' satisfaction ratings on services delivered % (Insurance)	95%	95%	96%	96%	95%	95%	95%
Rate of low veterans' satisfaction ratings on services delivered % (Insurance)	3%	3%	2%	2%	2%	2%	2%
Toll-free telephone blockage (busy signals) rate % (Insurance)	1%	0%	1%	0%	2%	2%	1%
Average caller hold time (caller wait time) in seconds (Insurance)	18	17	17	11	20	20	20
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average officer (Insurance)	N/A	N/A	N/A	1.6	1.5	1.0	1.0
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average enlisted service member (Insurance)	N/A	N/A	N/A	1.9	1.8	1.7	1.0

National Cemetery Administration *Burial Program*

P&F Codes: 36-0129-0-1-705; 36-0183-0-1-705
36-5392-0-1-705 36-0151-0-1-705

Resources							
FTE	1,454	1,476	1,492	1,523	1,566	1,589	
Total Program Costs (\$ in millions):	\$374	\$348	\$406	\$403	\$461	\$553	
Performance Measures							
Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence	73.9%	75.2%	75.3%	77.1%	81.6%	83.8%	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	91%	94%	94%	94%	96%	97%	100%
Percent of graves in national cemeteries marked within 60 days of interment	49%	72%	87%	94%	90%	90%	90%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	
Percent of respondents who rate national cemetery appearance as excellent	97%	97%	98%	98%	99%	99%	100%
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours	73%	73%	73%	73%	76%	80%	93%
Cumulative number of kiosks installed at national and state veterans cemeteries	42	50	60	69	76	84	108
Percent of applications for headstones and markers for the graves of veterans who are not buried in national cemeteries processed within 20 days	N/A	N/A	N/A	13%	70%	80%	90%
Percent of headstones and markers ordered by national cemeteries for which inscription data are accurate and complete	N/A	N/A	98%	99%	99%	99%	99%
Percent of headstones and markers that are undamaged and correctly inscribed	96%	97%	97%	96%	97%	98%	98%
Percent of respondents who would recommend the national cemetery to veteran families during their time of need	98%	97%	97%	98%	99%	99%	100%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	N/A	N/A	64%	70%	72%	74%	90%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	N/A	N/A	76%	72%	74%	77%	90%
Percent of gravesites that have grades that are level and blend with adjacent grade levels	N/A	N/A	79%	84%	84%	85%	95%

Board of Veterans' Appeals

P&F ID Code: 36-0151-0-1-700

FTE	448	451	440	433	445	444	
Administrative costs only (\$ in millions)	\$47	\$47	\$50	\$50	\$53	\$55	
Performance Measures							
Deficiency-free decision rate (BVA)	87.6%	89.0%	93.0%	89.0%	92.0%	92.0%	95.0%
Appeals resolution time (Days) (Joint measure with VBA) (BVA)	731	633	529	622	600	600	365
BVA Cycle Time (Days)	86	135	98	104	105	105	104

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	
Appeals decided per Veterans Law Judge (BVA)	321	604	691	621	625	630	732
Cost per case (BVA)	\$2,702	\$1,493	\$1,302	\$1,453	\$1,552	\$1,580	\$1,443

Departmental Management

P&F ID Codes 36-0151-0-1-705; 36-0110-0-1-703
 36-0111-0-1-703 36-4537-0-4-705
 36-4539-0-4-705

Total Program Costs (less BVA and IG costs which are identified separately)							
FTE	2,825	2,597	2,697	3,167	3,361	3,554	
Total Program Costs (\$ in millions)	\$515	\$617	\$718	\$762	\$999	\$1,233	
Performance Measures							
Attainment of statutory minimum goals for service-disabled veteran-owned small businesses expressed as a percent of total procurement (OSDBU)	0.61%	0.49%	1.25%	2.09%	3.00%	3.00%	3.00%
Percentage of VA employees who are veterans (HR&A)	N/A	24%	26%	28%	30%	32%	36%
Percent of Emergency Planners who have completed orientation (OPPP)	N/A	N/A	N/A	100%	100%	100%	100%
Percent of Under Secretaries, Assistant Secretaries, and Other Key Officials who self-certify their teams "ready to deploy" to their COOP site (OPPP)	N/A	N/A	N/A	85%	100%	100%	100%
Cumulative % of FTEs (compared to total planned) covered by initiated Management Analysis/Business Process Reengineering studies of non-core commercial functions (OPPP)	N/A	N/A	N/A	N/A	33%	53%	100%
Percent of cases using alternate dispute resolution (ADR) techniques (BCA) (1) Corrected	(1) 43%	(1) 20%	(1) 9%	(1) 6%	15%	20%	25%
Percentage of tort claims settled administratively (OGC)	86.0%	86.0%	89.0%	88.4%	89.0%	90.0%	90.0%
Number of audit qualifications identified in the auditor's opinion on VA's Consolidated Financial Statements (OM)	0	0	0	0	0	0	0
Number of material weaknesses identified during the annual financial statement audit or identified by management (OM)	6	5	4	4	4	4	0

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	
Number of distinct data exchanges between VA and DoD (OI&T) <small>*DMDC - Defense Manpower Data Center</small>	N/A	N/A	N/A	N/A	20 from *DMDC to VA; 10 from VA to DMDC	15 from *DMDC to VA; 5 from VA to DMDC	1 from *DMDC to VA; 1 from VA to DMDC
Number of business lines that are able to access a One VA Enterprise Data Service (OI&T)	N/A	N/A	N/A	N/A	1	3	8
Percentage of statutory reports that are submitted to Congress within the required timeframes (OCLA)	59% w/i 45 days	70% w/i 30 days	54% w/i 15 days	21% by due date	35% by due date	45% by due date	100%
Percent of newly elected/appointed state officials briefed within 60 days of taking office regarding VA programs and services (OPIA)	75%	80%	90%	100%	100%	100%	100%
Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM)	N/A	N/A	80% Baseline	98%	95%	95%	95%
Percent Condition Index (owned buildings) (OAEM)	N/A	N/A	N/A	82% Baseline	83%	84%	87%
Ratio of non-mission dependent assets to total assets (OAEM)	N/A	N/A	N/A	22% Baseline	19%	16%	10%
Ratio of operating costs per gross square foot (GSF) (OAEM)	N/A	N/A	\$21 Baseline	\$22	\$24	\$25	\$29
Cumulative percentage decrease in facility traditional energy consumption per gross square foot from the 2003 baseline (OAEM)	N/A	Baseline	N/A	N/A	2%	4%	20%

Office of Inspector General

P&F ID Code: 36-0170-0-1-705

Resources							
FTE	393	399	434	454	510	483	
Administrative costs only (\$ in millions)	\$56	\$58	\$66	\$70	\$76	\$73	
Performance Measures							
Number of arrests, indictments, convictions, administrative sanctions, and pretrial diversions relating to:							
VA health care delivery	N/A	N/A	N/A	N/A	N/A	1,924	2,204
VA benefits processing	N/A	N/A	N/A	N/A	N/A	695	793
VA financial management	N/A	N/A	N/A	N/A	N/A	1,121	1,279
VA procurement practices	N/A	N/A	N/A	N/A	N/A	18	22
VA information management	N/A	N/A	N/A	N/A	N/A	72	88
Percentage of successful prosecutions	N/A	N/A	N/A	N/A	N/A	18	22
	N/A	N/A	N/A	N/A	N/A	85%	87%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	
Number of reports issued that identify opportunities for improvement and provide recommendations for corrective action in:	N/A	N/A	N/A	N/A	N/A	140	160
VA health care delivery	N/A	N/A	N/A	N/A	N/A	49	57
VA benefits processing	N/A	N/A	N/A	N/A	N/A	14	17
VA financial management	N/A	N/A	N/A	N/A	N/A	6	7
VA procurement practices	N/A	N/A	N/A	N/A	N/A	68	75
VA information management	N/A	N/A	N/A	N/A	N/A	3	4
Number of CAP reports issued that include relevant health care delivery and benefits processing pulse points	N/A	N/A	N/A	N/A	N/A	61	76
Monetary (dollars in millions) benefits from review of ¹ :	N/A	N/A	N/A	N/A	N/A	\$914	\$1,033
VA health care delivery	N/A	N/A	N/A	N/A	N/A	\$278	\$310
VA benefits processing	N/A	N/A	N/A	N/A	N/A	\$137	\$145
VA financial management	N/A	N/A	N/A	N/A	N/A	\$9	\$10
VA procurement practices	N/A	N/A	N/A	N/A	N/A	\$490	\$568
Number of international benefit reviews conducted to determine the appropriateness of benefits processing for claimants living outside the 50 states	N/A	N/A	N/A	N/A	N/A	1	3
Maintain unqualified audit opinion of financial statements containing no material weaknesses or reportable conditions (Yes/No)	N/A	N/A	N/A	N/A	N/A	Yes	Yes
Percentage of recommendations implemented to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural change in VA	N/A	N/A	N/A	N/A	N/A	82%	90% ²
Percentage of preaward recommendations sustained during contract negotiations	N/A	N/A	N/A	N/A	N/A	61%	65%
Achieve adoption of recommendations relative to IT systems in compliance with FISMA, regulations, and policies within one year from issuance of a report	N/A	N/A	N/A	N/A	N/A	90%	100%

Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Results				Targets		Strategic Target
	2002	2003	2004	2005	2006	2007	
Achieve a professional, competent, and credible reputation as a result of work performed (based on a scale of 0 to 5, where 5 is high):							
Investigations	N/A	N/A	N/A	N/A	N/A	5.0	5.0
Audit	N/A	N/A	N/A	N/A	N/A	4.8	5.0
Healthcare Inspections	N/A	N/A	N/A	N/A	N/A	4.6	5.0
CAP	N/A	N/A	N/A	N/A	N/A	4.7	5.0

¹ Benefits related to IT are associated with the appropriate program areas.

² VA OIG intends that VA will implement all recommendations. This goal recognizes that some complex implementation actions may go beyond 2010, which is the out-year for OIG's Strategic Plan.

Appropriation Structure

Under the Administrative Provisions of the Department's budget, 5 percent of the administrative funding would be available through September 30, 2008, unless otherwise noted. Appropriations and funds are listed below with a brief description of the scope of the account:

Medical Programs

Appropriations

MEDICAL CARE PROGRAMS: Provides for a comprehensive, integrated health care delivery system that addresses the needs of the Nation's veterans by financing the operation, maintenance, and administration from the following accounts that are required to address the health care needs of eligible veterans.

MEDICAL SERVICES: Provides for a comprehensive, integrated health care delivery system that addresses the needs of eligible veterans and beneficiaries in VA medical centers, outpatient clinic facilities, contract hospitals, State homes, and outpatient programs on a fee basis. Hospital and outpatient care is also provided by the private sector for certain dependents and survivors of veterans under the Civilian Health and Medical Programs for the Department of Veterans Affairs (CHAMPVA). This is an annual, multi-year, and no-year account.

MEDICAL ADMINISTRATION: Provides for the management, security, and administration of the VA health care system through the operation of VA medical centers, other facilities, Veterans Integrated Service Networks (VISN) offices and facility director offices, chief of staff operations, quality of care oversight, legal services, billing and coding activities, procurement, financial management, and human resource management. This appropriation also finances the National Program Administration, VHA headquarters, which provides corporate leadership and support to VA's comprehensive and integrated health care system with a Headquarters' staff that includes a capital facilities management and development process. This is an annual and multi-year account.

MEDICAL FACILITIES: Provides for the operations and maintenance of the VA health care system's vast capital infrastructure required to provide health care to the Nation's veterans. These costs include utilities, engineering, capital planning, leases, laundry and food services, grounds maintenance, trash removal, housekeeping, fire protection, pest management, facility repair, and property disposition and acquisition. This is an annual, multi-year, and no-year account.

DOD VA HEALTH CARE SHARING INCENTIVE FUND: Provides a minimum of \$15,000,000 for a joint incentive program to enable the Departments to carry out a program to identify and provide incentives to implement creative sharing initiatives at the facility, intra-regional, and nationwide levels. Public Law 107-314, the FY 2003 National Defense Authorization Act, section 721, requires each Secretary to contribute a minimum of \$15,000,000 from the funds appropriated to the Secretary's Department fund and to establish the fund effective October 1, 2003. This is a no-year account.

MEDICAL AND PROSTHETIC RESEARCH: Supports research that facilitates and improves the primary function of VHA, which is to provide high-quality and cost-effective medical care to eligible veterans and contribute to the Nation's knowledge about disease and disability. This is a multi-year appropriation and no-year appropriation.

Special Funds

MEDICAL CARE COLLECTIONS FUND: Provides medical collections that are used for specified purposes to support the health care for eligible veterans. Public Law 105-33, the Balanced Budget Act of 1997, established the Department of Veterans Affairs Medical Care Collections Fund (MCCF). It required that amounts collected or recovered after June 30, 1997, be deposited in the MCCF. The amounts collected in the fund are available only for: 1) VA medical care and services during any fiscal year; and 2) VA expenses for identifying, billing, auditing, and collecting amounts owed the government. VA has the authority to collect inpatient, outpatient, medication, and nursing home co-payments; authority for certain income verification; authority to recover third-party insurance payments from veterans for non-service connected conditions; and authority to collect revenue from enhanced use leases. Public Law 108-7, the Consolidated Appropriations Resolution, 2003, granted permanent authority to recover pharmacy co-payments for outpatient medication. VA's authority to do income verification with the Social Security Administration and Internal Revenue Service was extended through September 30, 2008, by section 402(d) of Public Law 106-419, the Veterans Benefits and Health Care Improvement Act of 2000. Public Law 107-135, Department of Veterans Affairs Health Care Programs Enhancement Act of 2001, extended the authority to recover third party insurance payments from service-connected veterans for nonservice-connected conditions through October 1, 2007. Public Law 108-199, the Consolidated Appropriations Act, 2004, requires revenue from the following accounts to be deposited into the MCCF beginning in FY 2004:

Long-Term Care Co-Payments (Formerly Veterans Extended Care Revolving Fund: This account was established by Public Law 106-117, the Veterans Millennium Health Care and Benefits Act. This account receives

per diems and co-payments from certain patients receiving extended care services as authorized in title 38, U.S.C., § 1701B. Amounts deposited in the account are used to provide extended care services.

Compensated Work Therapy Program (formerly Special Therapeutic and Rehabilitation Activities Fund): This program, established pursuant to the Veterans Omnibus Health Care Act of 1976, Public Law 94-581, approved October 21, 1976, provides a mechanism for furnishing rehabilitative services to certain veteran beneficiaries receiving medical care and treatment from VA. Funds to operate the various rehabilitative activities and provide therapeutic work for remuneration of patients and members in VA facilities are derived from contractual arrangements with private industry, non-profit organizations, and State and Federal entities. This is a self-sustaining activity that does not require an appropriation.

Compensation and Pensions Living Expenses Program (formerly Medical Facilities Revolving Fund): This program provides for operating expenses of VA medical facilities furnishing nursing home care to certain veterans who receive Pensions. Title 38, U.S.C., provides that a veteran with no spouse or child will receive \$90 per month in Pensions beginning the third full month following the month of admission to VA-furnished nursing home care. The difference between the \$90 the veteran receives and the amount otherwise authorized is transferred to this fund to cover the expenses of the facility furnishing the nursing home care. Public Law 105-368, Veterans Programs Enhancement Act of 1998, has granted permanent authority for the transfer of Pensions funds in excess of \$90 per month from the Compensation and Pensions account, in accordance with the provisions of title 38, U.S.C. § 5503(a)(1)(B). This authority will be retroactive as of October 1, 1997.

Parking Program (formerly Parking Revolving Fund): VA collects parking fees for the use of parking facilities at VA facilities.

Other Revolving Funds

MEDICAL CENTER RESEARCH ORGANIZATIONS: The Veterans' Benefits and Services Act of 1988, P.L. 100-322 authorized Medical Center Research Organizations to provide a mechanism whereby non-VA funds may be received and administered to perform research by a nonprofit corporation at any VA medical center.

CANTEEN SERVICE REVOLVING FUND: This fund finances the operation of canteens at all medical facilities. These activities are under the management of the Veterans Canteen Service, established by Congress in 1946. Income from sales makes this a self-sustaining activity.

Other Trust Funds

GENERAL POST FUND: This trust fund consists of gifts, bequests, and proceeds from the sale of property left in the care of VA facilities by former beneficiaries who die leaving no heirs or without having otherwise disposed of their estates. Such funds are used to promote the comfort and welfare of veterans in hospitals and other facilities where no general appropriation is available for this purpose. In addition, donations from pharmaceutical companies, non-profit corporations, and individuals to support VA medical research are deposited in this fund.

Benefits Programs

Appropriations

COMPENSATION AND PENSIONS: Provides for compensation payments to service-connected disabled veterans and their survivors; provides for pension payments, subject to an income standard, to war-time veterans who are permanently and totally disabled from non-service-connected causes and their survivors; and provides burial and other benefits to veterans and their survivors.

READJUSTMENT BENEFITS: Provides payments for education and training for eligible veterans and dependents, as well as special assistance to disabled veterans. Funding provided for this program consists of direct appropriations to this VA account, as well as offsetting collections received from the Department of Defense.

VETERANS INSURANCE AND INDEMNITIES: Provides payment for extra hazard costs to the National Service Life Insurance and United States Government Life Insurance funds, supplements the Service-Disabled Veterans Insurance Fund, and provides direct payment to policyholders. It also provides funds for expenses of the Veterans Mortgage Life Insurance Program.

Trust Funds

POST-VIETNAM ERA VETERANS EDUCATION ACCOUNT: Funding for this account consists primarily of voluntary contributions by eligible servicepersons and Department of Defense matching contributions on behalf of specific servicepersons. The account serves as a depository and disbursing account for the contributory-matching education program which provides educational assistance payments to participants who entered the service between January 1, 1977 and June 30, 1985, and are pursuing training under chapter 32 (38 U. S. C.). Public Law 99-576, enacted October 28, 1986, permanently closed the program to new enrollees after March 31, 1987. However, the enactment of Public Law 101-510 allows servicepersons enrolled or eligible to enroll in the program who are involuntarily separated from the service on or after February 3, 1991, an opportunity to receive assistance under the Montgomery GI Bill (MGIB) program in lieu of Post-Vietnam Era Veterans Education Program (VEAP). Public Law 102-484 extended the same

opportunity to certain servicepersons who voluntarily separated from the military on or after December 5, 1991. An opportunity to enroll in the MGIB program also was extended to Chapter 32 (and section 903) servicepersons, who were VEAP participants on October 9, 1996, under Public Law 104-275.

Revolving Funds

VOCATIONAL REHABILITATION REVOLVING FUND: Loans (advances) will be made to disabled veterans eligible for vocational rehabilitation who are without sufficient funds to meet their expenses. Under the Federal Credit Reform Act of 1990, this fund now receives a direct appropriation for its administrative expenses, which it reimburses directly to the General Operating Expenses appropriation. Subsidy budget authority is provided for costs associated with loans obligated in 1992 and beyond.

VETERANS HOUSING BENEFIT PROGRAM FUND: The Veterans Housing Benefit Program Fund (VHBPF) reflects the loan financing activity in the Direct Loan Financing Account, Guaranteed Loan Financing Account, and the Loan Sales Securities Guaranteed Loan Financing Account. All direct and guaranteed loans made prior to September 30, 1991, are scored in the VHBPF Liquidating Account. Under the Federal Credit Reform Act of 1990, all direct and guaranteed loans made after September 30, 1991, are financed by subsidy appropriations to the VHBPF Program Account. This account also receives an appropriation for administrative expenses. The principal objective of the loan guaranty program is to encourage and facilitate the extension of favorable credit terms by private lenders to veterans for the purchase, construction, or improvement of homes to be occupied by veterans and their families.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM: This program was established in the Veterans Benefits Improvement Act of 1998, Public Law 105-368. The program is a pilot project designed to expand the supply of transitional housing for homeless veterans by authorizing the Secretary to guarantee loans for self-sustaining housing projects specifically designed to create long-term transitional housing for homeless veterans. VA may guarantee up to 15 loans with a maximum aggregate value of \$100 million. The project must enforce sobriety standards and provide a wide range of supportive services such as counseling for substance abuse and job readiness skills. Residents will be required to pay a reasonable fee. All funds authorized for this program were appropriated by the end of 2000; therefore, no appropriation language has been included in this budget. The loan financing activity of this account is shown under the "Transitional Housing Direct Loan Financing Account" in the President's budget.

NATIVE AMERICAN VETERANS HOUSING PROGRAM: This program was designed to test the feasibility of enabling VA to make direct home loans to Native American Veterans who live on U.S. trust lands. Annual appropriations are received for administrative expenses associated with this program. Indefinite subsidy budget authority was appropriated in 1993 and was initially available through September 30, 1997. Authority to continue this program was extended through December 31, 2001, pursuant to Public Law 105-114, Veterans Benefits Act of 1997 through December 31, 2005, pursuant to Public Law 107-103, Veterans Education and Benefits Expansion Act of 2001, and recently extended through December 31, 2008, by Public Law 108-454, "Veterans Benefits Improvement Act of 2004". The direct loan financing activity of this account is shown under the "Native American Direct Loan Financing Account" in the President's budget.

SERVICEMEMBER'S GROUP LIFE INSURANCE FUND: Established in 1965 as the financing mechanism to provide Group Life Insurance to members of the uniformed forces on active duty and certain members of the Reserves. Premiums, including the cost of administration, are deducted monthly from the serviceperson's pay and remitted by each uniformed service to VA and, in turn, to the primary insurer. The Government contributes toward the military extra hazard cost by paying for all death claims over a certain maximum as defined by law. Public Law 109-80 increased the maximum amount of coverage available to \$400,000, effective September 1, 2005. In addition, Public Law 109-13 provides for Traumatic Servicemember's Group Life Insurance, effective December 1, 2005. This program provides for payment between \$25,000 and \$100,000 to any member of the uniformed services covered by SGLI who sustains a traumatic injury that results in certain serious losses.

Public Enterprise Funds

SERVICE-DISABLED VETERANS INSURANCE FUND: This program finances claim payments on non-participating policies issued to service-disabled veterans who served in the Armed Forces after April 25, 1951. The program provides insurance coverage for service-disabled veterans at standard rates. Claim payments exceed premium receipts each year. Funds are derived mainly from premiums and payments from the Veterans Insurance and Indemnities appropriation. Public Law 106-419 allowed for term premiums to be frozen, effective November 1, 2000, at the first renewal after the insured reaches age 70 and remain frozen thereafter.

VETERANS REOPENED INSURANCE FUND: Established in 1965 as the financing mechanism for a program authorizing reopening of National Service Life Insurance for one year, for certain disabled veterans of World War II and the Korean conflict. Operations are financed from premiums collected from policyholders and interest on investments.

Trust Funds

NATIONAL SERVICE LIFE INSURANCE FUND: Started in 1940 as the financing mechanism for World War II insurance. Closed to new issues in 1951. Income is derived from premiums, interest on investments, and transfers from Veterans Insurance and Indemnities appropriation.

UNITED STATES GOVERNMENT LIFE INSURANCE FUND: Started in 1919 as the financing mechanism for converted insurance issued under the War Risk Insurance Act of 1914, as amended. Closed to new issues April 1951. Income is derived from interest on investments and transfers from the Veterans Insurance and Indemnities appropriation.

VETERANS SPECIAL LIFE INSURANCE FUND: Finances the payment of claims for the insurance program authorized for insurable veterans who served after April 1951 and before January 1, 1957. Income is derived mainly from premiums and interest on investments.

Departmental Administration

Appropriations

GENERAL OPERATING EXPENSES: For the administration of all VA non-medical benefits and support functions for the entire Department. Includes the Veterans Benefits Administration and the General Administration activities. While the program accounts associated with credit reform receive an appropriation directly for associated administrative expenses, total obligations from those appropriations are reflected under the General operating expenses account, with financing provided as offsetting collections.

NATIONAL CEMETERY ADMINISTRATION: This appropriation provides funding for the administration of all functions associated with the National Cemetery Administration. Provides, upon request, for the interment in any national cemetery with available grave space the remains of eligible deceased service persons and discharged veterans (together with their spouses and certain dependents).

OFFICE OF THE INSPECTOR GENERAL: Responsible for the audit, investigation, and inspection of all Department of Veterans Affairs programs and operations.

INFORMATION TECHNOLOGY: This new appropriation is proposed to consolidate the non-payroll information technology resources of the Department. In addition, non-payroll information technology reimbursements from separately appropriated resources, such as appropriations for credit reform, and from non-appropriated sources, such as the insurance benefit programs, will be transferred to the fund as appropriate.

CONSTRUCTION, MAJOR PROJECTS: For constructing, altering, extending, and improving any VA facility, including planning, assessments of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is \$7 million or more or where funds for a project were made available in a previous major project appropriation.

CONSTRUCTION, MINOR PROJECTS: For constructing, altering, extending and improving any VA facility, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than \$7 million. VA medical center projects with a minor improvements component costing \$500,000 or more are funded from this appropriation.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES: This account was approved on August 19, 1964, and authorized as an appropriation in 1965. Grants to States are to acquire or construct State nursing home and domiciliary facilities and to remodel, modify, or alter existing hospitals, nursing homes, and domiciliary facilities in State homes. A grant may not exceed 65 percent of the total cost of the project. Public Law 102-585 granted permanent authority for this program. Public Law 104-262 added Adult Day Health Care and another level of care that may be provided by State homes. This is a no-year account.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES: Grants to aid States in establishing, expanding or improving State veterans' cemeteries. A grant can be up to 100 percent of the total value of the land and the cost of improvement. Federal funding for the cost of initial equipment when the cemetery is established is also permitted. The States remain responsible for providing the land and paying for all costs related to the operation and maintenance of the state cemeteries, including the cost for subsequent equipment purchases.

Other Revolving Funds

PERSHING HALL REVOLVING FUND: Established by Public Law 102-86 for the operation and maintenance of Pershing Hall, an asset of the United States located in Paris, France. Receipts generated by the operation of Pershing Hall are also deposited in the revolving fund. To facilitate account restructuring and consolidation, this account reflects budget information for the Nursing Home Revolving Fund and the Grants for the Republic of the Philippines in the President's budget.

NATIONAL CEMETERY GIFT FUND: Consists of gifts and bequests which are made for the purpose of beautifying national cemeteries or are made for the purpose of the operation, maintenance, or improvement of the National Memorial Cemetery of Arizona. The activity in this account has been merged with the National Cemetery Administration in the Burial Benefits business line in the President's budget.

DEPARTMENT OF VETERANS AFFAIRS CAPITAL ASSET FUND: Provides for costs associated with the transfer and future transfers of real property, including costs of demolition, environmental remediation, maintenance and repair, improvements to facilitate the transfer, and administrative expenses. This account also finances costs associated with enhancing medical care services to veterans by improving, renovating, replacing, updating, or establishing patient care facilities through construction projects. Additionally, costs associated with the transfer, lease, or adaptive use of a structure or property under the jurisdiction of the Secretary that is listed on the National Register of Historic Places will be financed in this account. Receipts to this account will be realized from the transfer of real property to another department or agency of the United States, to a State (or a political subdivision of a state), or to any public or private entity, including an Indian tribe in accordance with P. L. 108-422. This is a no-year revolving fund.

Intragovernmental Funds

SUPPLY REVOLVING FUND: Established in 1953, the Supply Fund is responsible for the operation and maintenance of a supply system for VA. Functioning as an intragovernmental fund, without fiscal year limitation, it seeks to assure the most timely, cost-effective acquisition of goods and services for VA programs. As a self-sustaining fund, the majority of its operating expenses are recovered through a mark-up on goods sold.

FRANCHISE FUND: VA was chosen as a pilot Franchise Fund agency under Public Law 103-356, the Government Management Reform Act of 1994. The pilot commenced in 1997, funded under VA's General Operating Expenses appropriation. VA's Franchise Fund is a revolving fund used to supply common administrative services on the basis of services supplied.

